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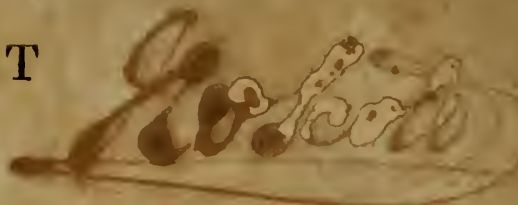
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REPORT

OF



COMMISSIONERS

APPOINTED TO

INVESTIGATE CHARGES

MADE AGAINST THE DIRECTORS OF THE

DELAWARE AND RARITAN CANAL,

AND

CAMDEN AND AMBOY RAILROAD AND
TRANSPORTATION COMPANIES.

Made to the Legislature, February 8, 1850.

TRENTON:

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REPORT.

To the Senate and General Assembly of the State of New Jersey.

The undersigned, commissioners appointed by joint resolution of the legislature, approved February 13th, 1849, to investigate certain charges made against the directors of the Delaware and Raritan Canal, and Camden and Amboy Railroad and Transportation Companies, respectfully submit the following REPORT of their proceedings under the said resolution, of which the following is a copy, with the preamble thereunto annexed:

WHEREAS it appears, by the message of His Excellency the Governor, and by petitions laid before the legislature, that certain charges have lately been made and promulgated touching the proceedings of the Camden and Amboy Railroad, and the Delaware and Raritan Canal Companies, charging the said companies and their officers with certain fraudulent practices, whereby, if true, the state has been defrauded of large sums of money, payable under the charter of said companies, and the supplements thereto; *and whereas* His Excellency the Governor has thought fit, in said message, to recommend, and the petitioners have prayed that an investigation of said charges be made under the authority and direction of this legislature; *and whereas* a feeling of dissatisfaction is alleged to exist in reference to the general management of the affairs of said companies; *and whereas* it appears to the legislature that it is due, as well to the state as to the said companies and their officers, that the said investigation should be made, to the end that, if well founded,

the just rights of the state may be secured and protected, and if untrue, that the parties implicated may be acquitted of all unjust imputation—therefore,

BE IT RESOLVED, *by the Senate and General Assembly of the State of New Jersey*, That AARON ROBERTSON, of the county of MORRIS, JAMES S. HULME, of the county of Burlington, and ALEXANDER WURTS, of the county of Hunterdon, be, and they are hereby appointed commissioners, with full power and authority to investigate and inquire into the charges before mentioned, and particularly referred to and set forth in the message of the governor, and the documents accompanying the same, and in the petitions aforesaid; and also, so far into all the business and operations of the said companies, and the contracts and agreements made by them with other persons, incorporations, and associations, from the date of their charters to the present time, as they shall deem necessary to secure the interests of the state; and that for this purpose they have full power and authority to send for persons and papers, and to swear and examine witnesses.

And be it further resolved, That said commissioners be requested to proceed with as much speed, as may be consistent with a careful and thorough examination of the matters referred to, so that, if practicable, their report may be made to the present session, and if not, that they make their report to the next session of the legislature; and that as soon as the said commissioners shall have completed their report, they file a copy of the same in the office of the secretary of state.

And be it further resolved, That as soon as the said commissioners shall have investigated the charges referred to in the message of the governor, and the documents accompanying the same, it shall be their duty to report the result of such investigation, and file the same, as before directed; and that they then proceed to make such further investigation into the business and operations of the said companies, as they may deem necessary in order to secure the interests of the state, and to make report thereon, and file the same, as before directed, with all convenient despatch."

On the ninth day of February last, Charles G. McChesney, esq., secretary of state, forwarded to each of the subscribers a copy of the foregoing resolution; and, in his letter of communication, suggested a preliminary meeting of the commissioners at Trenton, on the fourteenth day of the same month of February.

On the day specified, two of the commissioners attended at Trenton, when the message of the governor to the legislature, and the several documents named in it, in connection with the said charges, together with the said petitions to the legislature on the same subject, were laid before them by the secretary of state.

They also received a letter from the secretary of the joint board of directors of the two companies, requesting information of the time and place, when and where the investigation would be commenced, stating also, that he was directed to notify the commissioners, that the board would meet them at any time or place they may appoint, and would afford every proper facility in the investigation under the joint resolution of the legislature.

After conferring together, and spending some time in considering the necessary preliminary arrangements, it was suggested to the commissioners, by some members of the judiciary committee, that the legislature designed taking some further action in reference to the investigation. They then adjourned to the 22d of the same month of February. They met again at Trenton, on the day last mentioned, and found the legislature still occupied with a second resolution, relative to the commission.

The commissioners remained at Trenton until the next day, and then adjourned until the 13th of March last, for the purpose of then commencing the investigation.

On the day last named, the commissioners accordingly met at the "American Hotel," in Trenton, having previously, by letter, advised John R. Thomson, esq., secretary of the joint board of directors of the Delaware and Raritan Canal, and Camden and Amboy Railroad and Transportation Companies, of their intention so to do. The board of commissioners

was then, in part, formally organized, by the appointment of AARON ROBERTSON as chairman.

In the course of the day, a committee of the joint board of directors of the companies waited upon the commissioners, and informed them, that the joint board were then in session at the "Trenton House," in the city of Trenton. That they had been appointed a committee of the board, with instructions to wait upon the commissioners, and inform them, that the board had met for the purpose of showing all due respect to the authority of the state; and also to express to them the gratification of the board that the investigation was to take place, and their desire that it should be promptly undertaken and diligently prosecuted; and to tender to the commissioners, on the part of the board, every facility in their power to afford, in aid of the investigation. They also proposed, and invited an informal interview and conference between the commissioners and the board, with respect to the time, place, and manner of conducting the investigation.—The commissioners acceded to the suggestion.

In the afternoon of the same day, the commissioners had an interview and free conference with the board of directors, respecting the investigation, and the time, place, and mode of conducting it.

The joint board of directors, by their president, JOHN PORTER, esq., (since deceased) tendered to the commissioners the use of all their books, papers, and vouchers, and assured them that the officers, clerks, and agents of the companies would attend at any time and place to aid the investigation by explanations, or to answer any interrogatories, under oath or otherwise, which might be proposed to them.

The directors also proffered themselves ready and willing to produce their books and papers, at any place at which the commissioners should determine to hold their meetings.—At the same time, they tendered to them the free use and entire control of a commodious room, attached to their principal office at Bordentown, as a convenient and accessible place in which to conduct the investigation; and suggested the additional reason for so doing, that the principal part of the books and papers were kept in the fire-proof at Bordentown, and

would therefore, at all times, be promptly at the command of the commissioners; and the inconvenience and risk, as well as the delay attending their removal to some other place, would be avoided.

The commissioners assured the directors that they wished to conduct the investigation at such place or places, and in such mode, as to cause the least inconvenience to the joint companies, consistent with a faithful discharge of the duty imposed upon them.

After further conference and interchange of views, and without determining the questions considered, as to the place or mode of conducting the investigation, it was determined that the commissioners would meet the next day at Bordentown, for the purpose of taking a general view of the books and affairs of the companies, previous to deciding upon any definite plan of proceeding.

The commissioners accordingly met the next day at Bordentown, and were occupied, during the day, in examining some of the books and records of the companies, and conferring with several of their officers and clerks, as to the general manner of conducting the business and keeping the accounts. The commissioners then became satisfied that the investigation, so far as it depended upon, and required an examination of the books and papers of the companies, could be conducted at Bordentown with more despatch, and with less trouble and inconvenience, both to themselves and the companies, than at any other place.

One important consideration was, that by accepting the use of the room placed at their disposal by the board, they would be relieved from the care and custody of the books and papers; which would be imposed upon them, by requiring their production at some other place less secure, while at the same time the companies would be saved much unnecessary risk, trouble, and expense.

The commissioners thereupon determined that, for the time being, they would hold their meetings, and prosecute the investigation at Bordentown; and so informed a committee of the directors, who were in attendance.

The commissioners then, after due consideration of the na-

ture and character of the duty imposed upon them, came to the conclusion that a proper discharge of that duty required the services of a clerk or secretary. CHARLES M. HARKER, of Mount Holly, was thereupon unanimously appointed secretary of the board of commissioners. They further determined to proceed at once with the investigation, and to prosecute it with as much despatch as circumstances would permit, and so advised the companies. Mr. Harker appeared the next day, accepted the appointment, and immediately entered upon the discharge of its duties. The investigation was then commenced; and, with the exception of a recess in midsummer, and during the height of the cholera epidemic, it has been diligently prosecuted, almost without interruption, from that time to the present.

PRELIMINARY REMARKS.

Before proceeding with the details of the investigation, it may be proper to remark, that the commissioners entered upon it with a due appreciation of its magnitude and importance. And although satisfied, when they accepted the honourable trust confided to them by the legislature, that its due execution would require considerable time and labour, yet, could they in advance have truly estimated the actual amount of time and labour that experience proved to be necessary, they would, perhaps, have felt constrained to decline the trust. Having entered, however, upon the work, their only solicitude was to execute it with truth and fidelity. They were sensible that the high source from which they derived their powers, was calculated to invest the report they should make (however imperfect and defective) with an importance and a practical operation, either for good or for evil, entirely disproportioned to its intrinsic merits.

They did not lose sight of the fact, that millions of dollars had been invested and expended in the construction of the works of the joint companies. This large amount of money, they recollected, was represented by stock certificates, partaking of the sensitive nature of all such securities, and

which might easily be affected in value by a mistake upon our part, to the serious, and perhaps irreparable injury of many, whose all might be invested in them.

Again, they were sensible that much excitement and feeling existed in the community, in reference to the charges brought against the directors of the joint companies, and the administration of their affairs. Those charges involve the revenues of the state, as well as the integrity of private character, and are therefore well calculated to produce a deep and general interest. The legislature of our state, with generous confidence, had encouraged and aided the projectors of the canal and railroad with liberal charters, and by the grant of extraordinary privileges, well calculated to excite jealousy and discontent upon the least suspicion of abuse, and certainly calling for the return of the strictest good faith on the part of the favoured grantees. The state, however, did not bestow these high privileges, including the right of way over a portion at least of her soil, entirely without consideration.

Her pecuniary interests, in connection with the works of the joint companies, are large and valuable, yielding her a revenue, for several years past, more than sufficient to meet all the ordinary state expenses. And with a confidence, which should not be abused, she has left in the hands of the corporators the entire control and management of the works, including therein her own great pecuniary interests.

In a pecuniary point of view, alone, the people of New Jersey are deeply interested in the faithful administration of the affairs of the joint companies. And the honour and dignity of the state, as a copartner in the concern, may justly be considered as still more deeply involved in the same issue.

It is therefore the right of the state, as well as her duty to herself and to the whole community, to hold these companies to a strict and rigid accountability.

Various considerations, of the above character, were presented at once to the minds of the commissioners, and they entered upon the investigation with an anxious solicitude to avoid error, commensurate with the gravity of the charges,

and the abiding importance of the great questions involved in them. Truth, alone, was our object, in reference to the several matters submitted to us; and when satisfied that we had reached it, our duty was, and still is, without disguise to report it, irrespective of persons or consequences.

In addition, it is proper to add, that the commissioners were somewhat embarrassed by the very general and comprehensive terms of the resolutions under which they were to act.

Besides the specific charges, above referred to, they were required by the resolutions, so far to investigate and inquire into all the business associations, contracts, and agreements of the joint companies, from the date of their charters, as they may deem necessary to secure the interests of the state. A literal compliance with this requisition would consume years of labour. The state, as a stockholder, independent of her great interests as the recipient of transit duties, is interested in every act and transaction of the companies, from the commencement of their operations. It is true this general branch of the investigation was limited to the discretion of the commissioners. But the difficulty was, so to exercise that discretion, as not to omit any particular matter, which might be considered material by the legislature. If, in this branch of the inquiry, the report shall be short of the expectations of the legislature or of the public, the commissioners must rely, by way of justification, upon the very general and indefinite instruction under which they acted in this particular.

And again, the unexpected length of time and amount of labour necessarily consumed in the investigation of the definite and specific matters, compelled the commissioners to forego an inquiry into some other subjects of public interest, in connection with the companies, which, under other circumstances, they would have been gratified to include in their report.

They will instance the costs of construction of the canal and railroad, as one subject of great interest to the people of the state, in connection with the reserved right of redemption.

At the commencement of the investigation, the commis-

sioners expected, and indeed had determined to look into this very important branch of the disbursements of the companies, and to report fully upon it, in connection with the other matters submitted to them ; not only on account of the general interest of the question, but because they understood that several of the members of the last legislature expected and desired that they should do so. They regret that want of time compelled them to abandon this determination. At the same time, we consider it exceedingly important that the legislature should be informed, from a reliable and authorized source, of the actual costs of construction of the canal and railroad.

By reference to the terms of the resolutions, under which they acted, it will be seen that the commissioners were required, in the first place, to investigate and report upon the specific charges preferred against the officers of the joint companies; and after that was done, then to proceed to make such further investigation into the business and operations of the said company, as they may deem necessary, in order to secure the interests of the state ; and then report the result of such further investigation.

It was the wish and intention of the commissioners to comply strictly with their instructions ; and the plan or outline of proceedings, which they marked out for themselves, contemplated two separate reports, as directed by the resolutions.

Accordingly, the first matters taken up for investigation were the specific charges, with the view of ascertaining and reporting, as speedily as might be, the facts in reference to them.

The commissioners soon discovered, however, that it would be impossible to present an early report, at all satisfactory to themselves, of the facts bearing upon the charges. As the investigation progressed, the field of necessary examination appeared to enlarge. This will surprise no one who looks upon the very extensive and varied business transactions of two great institutions, with all whose operations, for years past, the charges in question were more or less intimately connected. And again, it very soon became manifest

that the specific charges were so intimately connected and blended with the principal contracts and general business operations of the companies, that it would be impossible to disconnect them in the investigation, and that separate reports upon them would be a useless ceremony. Under these circumstances, the commissioners concluded to embrace the proceedings of the whole investigation in one report. They trust that the legislature, for the reasons assigned, will excuse their departure from the strict letter of instructions.

It has already been stated that, at the first meeting of the commissioners at Trenton, the message of the governor, and the documents named in it, having reference to the companies, with the petitions to the legislature, were laid before them. And, by the terms of the resolutions, the commissioners are referred to the said message, documents, and petitions, to ascertain the particular and specific charges affecting the companies and their officers, which they are directed to investigate.

The following extracts from the message, is all that it contains bearing upon the question, *viz*: "With this, is transmitted to you a communication, recently received from the secretary of the Delaware and Raritan Canal, and Camden and Amboy Railroad and Transportation Companies, together with a pamphlet containing grave charges, preferred by "A citizen of Burlington," against the company and its officers, and a copy of the report of a committee, appointed by the board of directors of the joint companies to investigate those charges. By this communication, the board of directors proffer themselves ready and desirous to meet a reinvestigation of the charges, before any tribunal that the executive or the legislature may see fit to designate. These charges involve the crime of perjury, false entries, and false reports, and embezzlement of the funds of the state and of the stockholders. They are made against persons who have heretofore sustained the highest character for integrity, and enjoyed the entire confidence of the public. The state has a deep interest in a prompt, full, and impartial scrutiny of the conduct of the persons accused, and in the truth or falsehood of the accusations; and, for this purpose, I recommend the

immediate appointment of a joint committee of your two houses, with power to send for persons and papers, that speedy and exact justice may be done in the matter."

The communication from the secretary of the joint companies, is sufficiently described in the above extract from the message, and need not therefore be given at length. The report of James G. King, William Pennington, and Charles Parker, esquires, the commissioners appointed by the joint board to investigate the charges referred to in the message of the governor, is one of the documents placed in the hands of the subscribers.

All due respect was paid to that report by the undersigned commissioners.

The petitions to the legislature, referred to in the resolutions appointing the commissioners, and placed in their hands, as before mentioned, do not contain or prefer any original specific charges against the companies, but refer to, and repeat the charges preferred by a "citizen of Burlington," and pray the legislature to cause them to be investigated. The pamphlet, therefore, by a "citizen of Burlington," the only remaining document placed in the hands of the commissioners, was necessarily referred to by them, to ascertain the particular and specific charges intended to be investigated.

This pamphlet is entitled, "A review of an address of the joint board of directors of the Delaware and Raritan Canal, and Camden and Amboy Railroad Companies, to the people of New Jersey, by a citizen of Burlington."

It purports to have been printed in Philadelphia, in the year 1848; and is composed of a series of twelve letters, that appeared originally in a newspaper, published at the city of Burlington, in this state, addressed to the people of New Jersey, and signed, "a citizen of Burlington."

The first letter of the pamphlet contains the following specific charges:

First. That the number of passengers has been far greater than has been reported for the payment of transit duty.

Second. That the quantity of freight carried on the railroad, has been far larger than the amount reported for transit duty.

Third. That the quantity of freight carried on the canal, has been far larger than has been reported for transit duty.

Fourth. That the returns made to the treasurer's office, have been false and fraudulent.

Fifth. That the company, or its managers, are largely indebted to the state on that account.

Sixth. That the quantity of passengers has greatly exceeded the number reported to the stockholders.

Seventh. That the quantity of freight passing on the road, has greatly exceeded that reported to the stockholders.

Eighth. That the quantity of freight passing on the canal, has so greatly exceeded that reported to the stockholders, that a large portion of it has paid neither freight nor toll, nor transit duty.

Ninth. That a large proportion of the earnings of the machinery of the company, has never reached the company's treasury.

Tenth. That large sums, which have reached that treasury, have subsequently been abstracted therefrom.

Eleventh. That the accounts rendered to the stockholders, have throughout been falsified, to cover those abstractions.

Twelfth. That the statements furnished to the state directors, were fabricated for a purpose, and cannot represent any state of things standing, or that should stand upon the company's books.

The effort is made, in the remaining letters of the pamphlet, to enforce and sustain the above charges.

ORIGIN OF THE COMPANIES.

A brief notice of the origin of the joint companies, and of the pecuniary interests of the state in connection with them, may be of some value, before stating the facts bearing upon the above charges.

It is true that the people of New Jersey have had some opportunity of becoming tolerably familiar with the history and operations of these corporations.

Still, as it is alleged that these operations, for years past, have been characterized by gross abuses and deliberate

fraud, to the serious detriment of the revenues of the state, as well as of the interests of private stockholders, a brief statement of the reserved rights of the state, under the original charters, and the several supplementary acts in immediate connection with the abuses charged, may perhaps be of service in duly estimating the facts to be reported in reference to those alleged abuses.

We premise the remark, that it is not our province, nor do we intend in this report, either directly or indirectly, to express any opinion with respect to the wisdom or policy of the course of legislation that has been adopted, with reference to the joint companies.

On the fourth day of February, 1830, the legislature of New Jersey created the Delaware and Raritan Canal Company, and the Camden and Amboy Railroad and Transportation Company, by separate and independent charters. Both acts of incorporation passed the legislature upon the same day.

The capital stock of each company was fixed, by the respective charters, at one million of dollars, divided into shares, of one hundred dollars each; with the privilege of increasing the capital stock of each company, any sum not exceeding five hundred thousand dollars. Each company availed itself of this privilege of increase, to its full extent; and the capital stock of each company is now one million and a half of dollars, represented by stock, at one hundred dollars per share.

In addition to the capital stock, all called in, the company found it necessary to make large loans of money, both in England and in the United States, which were principally expended in the completion of their works. These loans will be more particularly mentioned in a subsequent part of this report. The legislature reserved the right of subscribing, within a limited time, on the part of the state, for one-fourth of the capital stock of each company. This right was subsequently waived by the legislature, or, at least, they omitted to exercise it.

It was required by the charters, that the canal and feeder should be completed in eight years, and the railroad in nine

years, after the acts passed, otherwise the charters were to be void. The said canal, feeder, and railroad, when completed, were declared to be public highways. And it was further provided, that if, after the same are completed, either of the said companies shall abandon their respective works, or cease to use and keep the same in repair, at any time for three successive years, that then and in that case their charter should be annulled, and the title to the lands over which the said works shall pass shall be revested in the persons from whom they were taken, their heirs, or assigns.

TOLLS ON THE CANAL.

By the 17th section of the canal charter, the company were authorized to demand and receive such sum or sums of money for tolls, and the transportation of persons, and every species of property whatsoever, on said canal and feeder, as they shall from time to time think reasonable and proper; *provided*, that they shall not charge more than at the rate of four cents per ton per mile toll for the transportation of every species of property, nor more than five cents per mile toll for the carrying of each passenger on the canal, and not more than half that rate of toll on the feeder.

TOLLS ON THE RAILROAD.

By the 16th section of the railroad charter, the company were authorized to demand and receive such sum or sums for tolls for the transportation of persons and every species of property thereon, as they shall from time to time think reasonable and proper; *provided*, that they shall not charge more than at the rate of eight cents per ton per mile for the transportation of every species of property, nor more than ten cents per mile for the carrying of each passenger.

By the act entitled, "An act relative to the Delaware and Raritan Canal, and the Camden and Amboy Railroad and Transportation Companies," passed February 15th, 1831, it is provided, that it shall not be lawful for the said companies to charge more than three dollars for the transportation of

passengers from and to the cities of New York and Philadelphia.

TRANSIT DUTIES ON CANAL.

By the 26th section of the canal charter, it was enacted, that, from and after the completion of the said canal and feeder, it shall be the duty of the treasurer of the said company, under oath or affirmation, to make quarterly returns of the number of passengers, and the number of tons of merchandise, and other articles, transported thereon across the state, to the treasurer of this state for the time being, and thereupon to pay the said treasurer of this state the sum of eight cents for each passenger, and the sum of eight cents for each and every ton of merchandise to be transported thereon; excepting the articles of coal, lumber, lime, wood, ashes, and similar low priced articles, for which two cents per ton shall be paid, as aforesaid; and that no other tax or impost shall be levied or assessed upon the said company.

TRANSIT DUTIES ON RAILROAD.

By the 23d section of the railroad charter, it was made the duty of the treasurer of that company, from and after the completion of the road or roads, to make quarterly returns, under oath or affirmation, to the treasurer of this state for the time being, of the number of passengers, and the number of tons of goods, wares, and merchandise transported upon said road or roads; and thereupon to pay the said treasurer of this state at the rate of ten cents for each and every passenger, and the sum of fifteen cents for each and every ton of merchandise, so transported thereon; and it was provided that no other tax or impost shall be levied or assessed upon the said company.

By the 24th section of the same charter, it was enacted, that if the state of New Jersey shall authorize the construction of any other railroad for the transportation of passengers across this state, from New York to Philadelphia, which road shall be constructed and used, and which shall com-

mence and terminate within three miles of the commencement and termination of the said roads authorized by the said charter, then the payment of the said sum of ten cents for each passenger, and fifteen cents per ton for merchandise, to the treasurer of this state, shall cease, and the said company was thereby exonerated from the payment thereof; *provided*, that if any other railroad shall be constructed for the transportation of passengers from Philadelphia to New York, it shall be liable to a tax, not less than the amount payable to the state by this company.

It would appear, by the above cited 23d section of the railroad charter, that the company were required to pay the transit duties reserved by it, upon all way passengers and merchandise transported for any distance upon the said railroad, as well as upon "through" passengers and merchandise.

This section, however, was modified by the 3d section of the supplemental act, of February 4th, 1831, which provides, "that the said company shall pay to the state the sum of ten cents for each passenger carried on the said railroad or roads across this state, between the Delaware river and Raritan bay; said payments to commence when said road is so far completed that passengers are transported thereon across this state, instead of a ratable tax for passengers, as reserved in the said act of incorporation."

Afterwards, by an explanatory joint resolution of the legislature, passed March 10th, 1842, which was accepted and assented to by the joint companies, the question of transit duties, payable to the state for passengers and merchandise transported on the railroads of the company, was finally adjusted and settled upon its present footing. That resolution, among other things, required from the joint companies the payment of a transit duty of ten cents upon every passenger, and fifteen cents for every ton of goods, wares, and merchandise theretofore transported, and ten cents for every passenger, and fifteen cents for every ton of goods, wares, and merchandise thereafter to be transported, on any railroad or railroads belonging to the said companies, from Camden, Burlington, Bordentown, the Trenton Delaware bridge, the

city of Trenton, or any other point or place on the Delaware river, to South Amboy, the city of New Brunswick, or any other point or place on the Raritan river or bay; and from South Amboy, the city of New Brunswick, or any other point or place on the Raritan river or bay, to the city of Trenton, the Trenton Delaware bridge, Bordentown, Burlington, Camden, or any other point or place on the Delaware river.

We are particular in referring to this resolution, because it unfortunately happens (as will hereafter appear) that we differ with the companies in the construction which they have put upon it, since 1846, with reference to a comparatively small amount, of what is called way freight, carried on the railroad.

We will here add, in this connection, that our investigation satisfied us that all the way passengers and merchandise transported on the railroads of the companies prior to the passage of this resolution, that came within its provisions, were subsequently returned to the state treasurer, by a supplemental return, made in 1843, and the transit duties paid.

GUARANTEE OF THIRTY THOUSAND DOLLARS.

By the 3d section of an act, passed March 2d, 1832, which we will presently notice more particularly, it was enacted—"That if, within one year from the time that the said railroad from Bordentown to South Amboy, is so far completed that passengers and merchandise be transported thereon, the transit duty reserved by the acts incorporating said companies, and the dividends on the stock hereby authorized to be transferred, shall not amount to thirty thousand dollars, it shall be the duty of the said companies to pay such deficiency to the treasurer of this state, out of the joint funds of the said companies, before any dividend is made to the stockholders; and that each and every year thereafter, such deficiency, if any shall exist, shall be paid by the said companies, so as to secure to the state the aforesaid sum of thirty thousand dollars, at least, in each and every year during said charter."

STOCK HELD BY THE STATE IN THE JOINT COMPANIES.

By the railroad charter, the reserved right of the legislature to subscribe to the one-fourth, or less, of the capital stock of that company, before mentioned, was limited to the first day of January, 1831. The legislature did not subscribe, as before stated.

By the "Act relative to the Camden and Amboy Railroad and Transportation Company," passed February 4th, 1831, already referred to, it was made lawful for the said company to transfer to the state one thousand shares of the capital stock of the company, without the state paying any thing for the same, by way of instalments or otherwise; the dividends on which stock were to be paid to the state, in the same manner as if she had subscribed and paid for it, with the right, on the part of the state, to appoint one director to represent the said stock; but that no vote should be given for said stock at any election for directors of the company. The proposed transfer was to be made, however, upon this condition, imposed by the act: that the the stock was to be transferred to the company, whenever any other railroad or roads, for the transportation of passengers and property between New York and Philadelphia, across this state, shall be constructed and used for that purpose, under and by virtue of any law of this state or of the United States.

The 7th section of this last mentioned act declares, that it shall not be lawful to construct any other railroad or roads, for the transportation of passengers across this state, within three miles of the road of the said Camden and Amboy Railroad Company, until after the time limited in the twenty-first section of the act of incorporation of said company for the completion of the said railroad. The 5th section provides, that upon filing the assent of the company to this act, in the office of the secretary of state, this act shall be deemed and taken as part of the charter of said company; which assent shall be filed within five days after the passage of this act, otherwise the act, and all the provisions contained in it, shall be void. The assent of the company was duly filed to this

act, and it thereby became a part of their charter. In pursuance of this act, the one thousand shares of stock of the railroad company were duly transferred to the state, and a director was afterwards appointed to represent it.

The conflicting interests of the canal and railroad companies, having brought them in collision in some of their applications to the legislature, all future difficulties of that kind were removed by the act, passed February 18th, 1831, already referred to, entitled, "An act relative to the Delaware and Raritan Canal, and the Camden and Amboy Railroad and Transportation Companies." By this act, the capital stock of the two companies was consolidated, and declared to be joint stock; the two companies were completely united, and made one in interest, and amalgamated into one joint concern; with this proviso, among others in the act, that before this act shall take effect, the assent of the stockholders holding seven-eighths of all the stock of the said Delaware and Raritan Canal Company, and the said Camden and Amboy Railroad and Transportation Company, to the provisions of this act, shall be certified to the satisfaction of the governor, and filed in the office of the secretary of this state. This assent was duly filed. It provided further, that the said canal from the Delaware to the Raritan, and feeder, and the said railroad from Camden to Amboy, shall be completed within the time specified in the respective charters. And further, that if one of the said works, at the expiration of the aforesaid time, is completed without the other, that then and in that case the works so completed shall be forfeited to the state of New Jersey; and also, that the right of the legislature to take the works, or either of them, at the expiration of their respective charters, was not to be affected or impaired by this act.

By the 23d section of the canal charter, the legislature reserved the right, before mentioned, to subscribe, on the part of the state, for the one-fourth, or less, of the capital stock of that company "for the space of two years after the company shall have fixed upon and agreed to the size, dimensions, and routes or location of the said canal and feeder." This 23d section of the canal charter, reserving the right to subscribe on the part of the state, was repealed by the last

section of the act, passed March 2d, 1832, and which is usually distinguished as the "Protection bill." It is entitled, "A supplement to an act entitled, an act relative to the Delaware and Raritan Canal, and the Camden and Amboy Railroad and Transportation Companies." That is the union act cited above. This is an important enactment, being the one under or by virtue of which the joint companies claim and insist upon their exclusive privileges. It first authorizes the joint companies to transfer to the state one thousand shares of the joint capital stock, upon which all instalments shall be paid by the companies; the state to receive the dividends upon it, the same as if she had subscribed and paid for it. The state was also entitled to appoint one director to represent the said stock, but that no vote should be given for it, at any elections of the stockholders. The act then declares, that it shall not be lawful, at any time during the said railroad charter, to construct any other railroad or railroads in this state, without the consent of the said companies, which shall be intended or used for the transportation of passengers or merchandise between the cities of New York and Philadelphia, or to compete in business with the railroad authorized by the act to which this supplement is relative. The 3d section of the act, securing to the state \$30,000, yearly, from transit duties and dividends on one thousand shares of stock, has already been cited, in connection with the subject of transit duties. The act further declares, that the companies shall not retain a surplus exceeding the sum of one hundred thousand dollars, after declaring a dividend. It also makes it the duty of the companies to construct a lateral road, from some suitable point on said road, at or west of the village of Spotswood, to a suitable point or points in the city of New Brunswick; with the proviso, that they shall not charge more than two dollars and fifty cents for each and every passenger carried thereon from and to the cities of New Brunswick and Philadelphia. The 7th section of the act requires the written assent of a majority of the stockholders of the said companies to the provisions of the act, to be submitted to, and approved by the governor of the state, and filed in the office of the secretary of state within

forty days, otherwise the act to be void. This assent was duly filed in the secretary's office. The one thousand shares of the joint capital stock of the companies was, in due form, transferred to the state, and a director appointed to represent it.

The last section of the act repeals the 23d section of the canal charter ; that section reserved to the legislature the right to subscribe for the one-fourth part of the capital stock of the canal company.

RIGHT OF REDEMPTION.

In the original charters of the joint companies, the legislature reserved to the state the right to take the works of each company, with their appendages, at an appraised valuation, as directed by the said charters, at the expiration of thirty years from the time they were respectively completed. This right of redemption, with respect to the canal, was extended to fifty years from the time of its completion, by a supplement to the canal charter, passed February 3d, 1831. This supplement also declared, that it shall not be lawful to construct any railroad across the state, between the Delaware and Raritan rivers, within five miles of any point on the canal, until after the time limited for the completion of the canal and feeder ; excepting, however, all just and legal rights, already vested, to the contrary of that prohibition. And it provided, that nothing in that supplement contained should prevent the state from authorizing the construction of a railroad between the Delaware and Raritan rivers, after the said canal and feeder shall be completed ; always giving to the said Delaware and Raritan Canal Company the refusal of constructing the said railroad ; with the further declaration and provision, that the privileges thereby granted were upon the express condition, that the said canal shall be constructed, from the Delaware to the Raritan river, seventy-five feet wide on the water line, and the water therein to be seven feet deep throughout ; the locks thereof, to be at least one hundred feet in length, and twenty-four feet in width, in the clear.

The original charter required the construction of a ca-

nal, at least fifty feet wide at the water line, with five feet depth of water throughout. By the 4th section of the act, passed February 4th, 1831, entitled, "An act relative to the Camden and Amboy Railroad and Transportation Company," before referred to, it was directed, that the appraisement, at which the state may take the railroad at the expiration of the thirty years, as provided for in the charter, shall be made in reference to the actual value of the said road, and not with reference to the value of the stock; which appraisement shall not, in any event, exceed the actual cost and expenses incurred in the completion of the said road.

There is no such provision with respect to the canal.

FRAUDS OF THE CANAL COMPANY.

By an act of the legislature entitled, "An act to prevent frauds in the manifests of vessels navigating the Delaware and Raritan canal," it is provided, that every person having the charge or command of any vessel or boat navigating the said canal, shall produce to each and every collector of tolls a manifest in writing, containing a just and particular account of all the goods, wares, merchandise, and other matters on board of such vessel or boat; and that it shall be lawful for said collectors of tolls, if they shall deem it advisable, to require the said person, having the charge or command of any such vessel or boat, to declare the truth of said manifest, under oath or affirmation, which said collectors are, by the said act, authorized to administer. It also provides, that if, on examination of the cargo of said vessel or boat, it shall turn out that said manifest does not contain a true and just account of said cargo, the person having the charge or command of such vessel or boat shall forfeit and pay the sum of two hundred dollars to the canal company, to be recovered by suit, with costs; and the toll collector is authorized to detain such vessel or boat, until the said penalty and costs are paid or secured.

And it is further provided, that if any person, having the charge or command of such vessel or boat, shall falsely, wil-

fully, and corruptly swear or affirm, he shall be adjudged guilty of perjury.

BRANCH ROAD TO NEW BRUNSWICK.

To complete this brief outline of the several laws relative to the joint companies, we will add a cursory notice of the act of March 15th, 1837, entitled, "A further supplement to the act entitled, an act relative to the Delaware and Raritan Canal, and the Camden and Amboy Railroad and Transportation Companies."

By this act, the united companies were authorized, with their joint funds, to survey, lay out, and construct a railroad, with all the necessary appendages, to commence at some suitable point in the city of New Brunswick, where the same shall connect with the southwesterly end or termination of the road of the New Jersey Railroad and Transportation Company; and thence to run, on the most eligible route, to the city of Trenton, and thence to some point on the line of the Camden and Amboy railroad, at, or south of the borough of Bordentown; and then to connect with the said Camden and Amboy railroad, with a spur from some point on said road in the said city of Trenton, to the Delaware river, at the Trenton Delaware bridge.

And, for the purpose of enabling the joint companies to construct the said roads, they were, by the said act, invested with all the powers and authority, privileges and emoluments, and subjected to all the provisions, conditions, liabilities, limitations, and restrictions contained in the original charters of the two companies, and the several acts supplementary thereto.

The act also provides that the joint companies should pay to the state the same transit duties for goods, wares, and merchandise, and for passengers transported on or over said road, from Bordentown, from the Trenton Delaware bridge, or from the city of Trenton to the city of New Brunswick, or from the city of New Brunswick to Trenton, the Trenton Delaware bridge, or Bordentown, that they would be liable to pay for the same, if they had been transported on the

Camden and Amboy railroad from Camden to South Amboy ; *provided however*, that it shall not be lawful to charge more than five cents per mile for the transportation of each passenger on the said road, and not to exceed the same rate for the transportation of each and every way passenger on the Camden and Amboy railroad.

The act further directed, that the railroad, thereby authorized to be constructed, shall be redeemable by this state, at the same time that the said Camden and Amboy railroad is redeemable, or at any time afterwards, but not before, without the consent of the united companies, and on the same terms that the said Camden and Amboy railroad is redeemable by the existing laws.

By the 7th section of this supplement, it was enacted, that if the said joint companies shall certify their acceptance of this supplemental act, and in all things comply with the provisions thereof, and complete the railroad thereby authorized within the time fixed for the construction of a lateral road from some point west of the village of Spotswood, to the city of New Brunswick, as required by the act of March 2d, 1832, that then and in that case the sixth section of the last mentioned act, requiring the construction of the said lateral road, should be, and the same was thereby repealed.

The joint companies duly certified their acceptance of the said supplement, and the roads authorized by it were constructed within the limited time.

WORKS OF THE COMPANIES AND THE TIMES OF COMPLETION.

The Delaware and Raritan Canal extends from Bordentown, on the Delaware, to New Brunswick, on the Raritan river, forty-three miles in length, seventy-five feet wide at the surface, with an average depth of water of at least seven feet. There are at this time fifteen locks attached to the canal, with an ascent and descent, in the whole, of one hundred and fifteen feet ; all of them, with the exception of the one at the eastern terminus, at New Brunswick, one hundred and ten feet long between the gates, and twenty-four feet wide ; the one at New Brunswick is one hundred and

thirty feet long between the gates, and thirty feet wide. There are two outlet locks at Bordentown, each one overcoming the same elevation.

With the main canal is connected a navigable feeder, running from the Delaware river, at Black's eddy, to the summit level of the canal at Trenton, twenty-two and a half miles long, sixty feet wide, and six feet deep. There is a guard lock at the entrance of the feeder at Black's eddy, and a lift lock of ten and a half feet upon it, about eight miles below the entrance; the feeder is also connected with the Delaware river at the head of Wells' falls, a short distance below Lambertville, by an outlet lock of eleven feet lift: on the opposite side of the river, the Pennsylvania canal has, also, an outlet lock; thus forming, at that point, a connection, or communication, between the two canals.

The feeder has a descent, at the bottom, of about two inches to the mile, and furnishes an abundant supply of water to the canal.

The canal and feeder are both constructed in the most substantial manner, with pivot bridges admitting the passage of vessels with masts. The company own, at various points on the line of their works, sufficient offices and dwellings to accommodate their collectors, lock and bridge tenders, and other persons employed in the transaction of their business. They also own some other real estate, at different places along the line of their works, and have a surplus of water at several points on their canal and feeder, for a part of which they receive annual rents.

The whole amount of the costs of construction of the canal and feeder, and appendages, up to the year 1840, according to the books of the company, and a report made in that year by the directors to the stockholders, is two million eight hundred and forty-four thousand one hundred and three dollars and three cents. It would appear by a report, or certificate, of the engineer of the canal company, filed in the office of the secretary of state, February 21st, 1838, that the canal and feeder were completed in January, 1838. If this is to be considered as the true time when the canal and feeder were completed, then, according to the charter, at that

time the right of the state to receive transit duties from the canal company commenced. And we find that the first return to the state treasurer, for transit duty of goods, wares, and merchandise transported through the canal, was made in 1838.

The Camden and Amboy railroad runs from Camden, by way of Burlington, Bordentown, Hightstown, and Spotswood, to South Amboy, on the Raritan bay. It is a single track, sixty-one miles and one-eighth in length, with sufficient turnouts, or double tracks, to enable trains, going in opposite directions, to pass each other.

The branch road runs from the main road, at Bordentown, by way of Trenton and Princeton basin, to the southern termination of the New Jersey railroad, within the limits of the corporation of New Brunswick, about three and a half miles from the railroad bridge over the Raritan river at the city of New Brunswick. It has a single track, and is thirty miles and one chain in length, with a spur, or branch, seventy-six chains in length, to the Delaware bridge at Trenton. The branch road has also the necessary turnouts to admit the passing of opposite trains. The whole length of the main road, and its branches, is ninety-two miles and forty-one chains. The whole length of the turnouts is ten and three-fourths miles.

By the report, or certificate, of the engineer of the railroad company, filed in the office of the secretary of state, on the 24th of January, 1839, it appears that the railroad was completed on the first day of the same month of January. But on the 17th December, 1832, the road from Bordentown to Amboy was so far completed, that passengers and merchandise were transported over it; consequently, the right of the state to receive transit duties from the railroad company commenced on that day, by virtue of the act of February 4th, 1831, before mentioned. The question, therefore, of the actual time when the railroad was completed, is of no moment to the state, with regard to the transit duties; and is only important in reference to the limitation of the charter. Transit duties have, in fact, been paid by the railroad company from said 17th December, 1832.

It also appears, by the books of the company in 1840, and the report of the joint board of directors of that year, mentioned above, that up to that time the costs of construction of the main line of railroad, with its branches and appendages, amounted to the sum of three million two hundred and twenty thousand eight hundred and fifty-seven dollars and two cents.

We again remark, that we have made no examination of the construction account of either the railroad or canal.

The amounts above stated are given in the aggregate, from the books of the companies, as they appeared upon them in the year 1840, without any investigation, on our part, (from want of time, as before mentioned,) into their accuracy. Nor do we intend, by this explanation, in any way to impeach or call in question the truth and correctness of the construction accounts, as they appear on the books of the companies. We do not wish to be understood as giving any opinion upon that subject; we leave it to be examined by those whose duty it may be hereafter to deal with it.

ORGANIZATION OF THE JOINT BOARD.

The stockholders of each of the associated companies meet annually, at the time named in their respective charters, and elect a board of directors of each company. These boards afterwards meet and organize, separately, by appointing a president, secretary, and treasurer, and such other officers as may be necessary.

The two boards, with the two state directors, then meet at the general office of the companies, at Bordentown, and organize a joint board of directors, by the appointment of a president and secretary of the joint board. This joint board manage, control, and direct all the affairs, business, and concerns of the two companies, in joint meeting.

They also appoint a general superintendent of the accounts of both companies, and a committee, called an executive committee.

This committee originally consisted of the presidents and treasurers of the companies; afterwards, by resolution of

the joint board, a special executive committee was appointed, without reference to the offices which the members of it held in connection with the companies. Such appears, by the minutes of the joint board, to have remained the practice up to the present time.

The late John Potter, esq., was the president of the joint board, from its first organization up to the time of his death. For several years past, John R. Thomson has been secretary of the joint board, and Richard Stockton superintendent of accounts. At this time the executive committee consists of six persons, all of whom are members of the joint board.

The members of this committee receive no compensation, except such as they are entitled to by virtue of their other appointments.

Their duties appear to be, to carry out the directions of the joint board, and to act in all matters and cases, that require attention and direction, during the recess of the board.

This executive committee is generally composed of the salaried officers of the two companies, and, consequently, of such persons as are actively engaged in the service of the companies. The result is, that much of the executive portion of the business of the companies devolves upon them, in conjunction with the superintendents, appointed by the separate boards of directors.

MANNER OF CONDUCTING THE INVESTIGATION.

We beg leave to premise a word or two, with respect to the manner in which the investigation was conducted.

We were early satisfied that it was absolutely necessary, before commencing a work of such magnitude, to adopt a definite plan or system of proceeding, if we hoped to finish the investigation within any thing like a reasonable time.

We endeavoured, therefore, as far as was practicable, to make out, and prescribe for ourselves, such a plan of operations. Before taking up the specific charges, or hearing any evidence in reference to them, we thought it advisable to make ourselves familiar with the books, accounts, and the

general mode of conducting the business and affairs of the companies. This appeared indispensably preliminary to any intelligent examination of charges, which, in the main, were to be proved or disproved by the books and accounts.

With this view, some time was devoted to a general examination of the ordinary routine of business of the companies, their books of account, and the mode of keeping them.

It is proper to state that, at an early stage of the investigation, Joseph P. Bradley, esq., appeared before us, as the authorized agent and counsel of the joint companies, and tendered himself ready to respond, in behalf of the companies, to any calls we should make for books, papers, or information of any kind, connected with the investigation.

Mr. Bradley attended us, in this capacity, through the whole of the investigation, and produced all the books, vouchers, accounts, and papers that we required. In no instance did the companies refuse or decline to produce any book, paper, or voucher that we had occasion to examine.

After this general inspection of the books and papers, we entered upon the investigation of the particular charges. In conducting that investigation, our primary object was to ascertain facts, independent of any prior reports or statements from any quarter, in reference to the same matters. It was not our principal object to reconcile prior conflicting reports and statements, but to ascertain the truth, to the best of our ability, of the charges submitted to us. It is true that the "pamphlet" containing the charges, enforces them by reference to such reports and statements. But in our view, if those reports, although emanating from the directors of the companies, could be considered as evidence at all, it was but of a secondary character.

We resorted, at once, to the books, papers, and records of the companies, as furnishing the primary evidence, which alone could be safely relied upon. In addition to this evidence, we had from time to time, as occasion required, the testimony, under oath, of a number of the officers, clerks, and agents of the companies; principally, however, in explanation of the books, accounts, and method of transacting business, and to verify the books and papers, as authentic

records of the business transactions of the companies. Every book, account, and voucher, examined and relied upon by us, was verified by the oath of some competent clerk or agent of the companies; and that they were the only books containing any charges or entries respecting the particular matters in question.

In other words, that the companies did not keep two sets of books. We do not know that any one ever seriously charged or pretended that they did keep different books for the same transactions, although it may have been indirectly insinuated. We may dismiss this idea with the remark, that we did not discover any thing during the investigation that gave the least colour to such an injurious suspicion. In addition to that, the very satisfactory evidence of all the highly respectable witnesses connected with the companies, who were examined, distinctly negatived any such suspicion. We also examined the book of minutes of the joint board of directors, the executive committee, and of the several meetings of the stockholders heretofore held. In addition, several of the contracts and agreements made by the joint companies with other companies and individuals, more particularly referred to hereafter, were submitted to, and inspected by us. Besides the officers, clerks, and agents of the companies examined, we also examined, under oath or affirmation, such other persons as we were well advised, or had reason to believe, could give us any information in reference to any matter connected with the investigation.

The testimony of all the witnesses examined by us, is herewith submitted to the legislature. In those depositions will be found many interesting and important facts, as well as a very minute detail of the particular manner of conducting each department of the operations of the joint companies.

We shall have occasion, in subsequent parts of this report, to notice more particularly the testimony of some of the witnesses, in immediate connection with specific points of inquiry. We respectfully refer the legislature to the testimony of the witnesses, for a more minute and particular detail of the business operations of the companies, than can be

given in this report, without extending it to a very unreasonable length.

Mr. Henry C. Carey, the admitted author of the "pamphlet," had several interviews with us, during, and upon the subject of the investigation. He also furnished us, at different times, with several communications, documents, and statements, some of them manifestly prepared with great labour, research, and minuteness, and well calculated to aid the examination.

In addition to the testimony of witnesses, the general accuracy of the books of account examined by us was satisfactorily tested, by comparing the entries in them with the original papers and vouchers, such as way bills, manifests, receipts, &c., upon which the various entries were predicated. Some few clerical errors were discovered. We were satisfied, however, that the books of the company are entitled to full faith and credit, as authentic records of their business operations, with the exception of the omissions hereafter particularly noticed.

The specific charges were examined in detail, and very much in the same order in which they are presented in the "pamphlet."

Considerable time and much labour were devoted to the preparation of various tabular statements, designed to exhibit, in a condensed view, the very extended business operations of the companies. They will be found in this report, attached to their relative heads of inquiry.

We will now proceed with the details of our investigation. And first with respect to the

RAILROAD.

The officers of the Camden and Amboy Railroad and Transportation Company are, Robert L. Stevens, president and chief engineer, William H. Thomson, secretary, and Edwin A. Stevens, treasurer and superintendent.

William H. Gatzmer, at Philadelphia, and Ira Bliss, at New York, are the general receiving and disbursing agents of the company for the passenger lines. William S. Free-

man, at Philadelphia, and Alfred Decker, at New York, perform the like duties, as general receiving and disbursing agents for the transportation business over the railroad. The way transportation is under the direction of Benjamin Fish, as central agent at Trenton.

The first charge in the "pamphlet" is, that the number of passengers has been far greater than has been reported for transit duty.

The passenger business on the railroad is conducted in the following manner:

An assortment of tickets, for each line, is furnished from the offices of the general agents in Philadelphia and New York, embracing the different stations on the route, to the ticket clerk at the station, or on board the steamboat which starts with the line. The ticket clerk in the office keeps a memorandum of the number of tickets of each kind issued, and charges the clerk who receives them with the amount in money.

The ticket clerk on the line furnishes each passenger with a ticket, upon the payment of the fare, and enters the name of the passenger, and where from, and where to, with the amount of passage money, on a way bill. A duplicate of this way bill is made out of the lines run in connection with the New Jersey Railroad Company, but not of the lines by way of Amboy.

On the latter route, the ticket agent on the line, after issuing all the tickets called for, and making out his way bill, delivers to the conductor of the train a memorandum of the number of passengers to stop at each station.

On the upper route, in connection with the New Jersey railroad, he delivers to the conductor the duplicate copy of the way bill, which he makes out; he then returns to the city from which the line started.

Before returning his way bill at the office, the ticket agent of the line receives from the conductor of the return train, and enters on his way bill, the money received by the said conductor for way fares received by him for passengers entering the train on the way. He then returns the way bill, and the amount of money which it calls for, to the proper

office, at each end of the line, and also the balance of tickets not disposed of; and the account of his day's transaction is then examined by the ticket clerk in the office.

The ticket agent of the line must account for the number of tickets issued and charged to him, as before stated, either in money or by a return of the tickets. The amount of money received by him from the return conductor is exhibited by a way bill, kept by the said conductor, and signed by him, which he delivers to the said ticket clerk, and which the latter returns with his own way bill, as his voucher for the amount of money thus received.

Tickets are issued in New York, from the office of the New Jersey Railroad and Transportation Company, for the lines from that city, by the way of Newark, New Brunswick, and Trenton. The way bills are prepared, and accounted for by the agents of that company, and a duplicate copy, for each train, is sent on with the conductor to Philadelphia. A set of tickets, embracing an assortment for the different points on the route, is furnished to each conductor of a train, in sufficient number to supply the probable demand. Such of these tickets as are given out by him to persons going beyond his route, are taken up by other persons, who, to that extent, are a check upon him.

But tickets to way passengers between stations, are usually taken up by himself, and with respect to them, his own account must be relied upon. The particular duty of each conductor, is given at length in the testimony. One of the witnesses also stated to the commissioners certain other regulations that were enforced respecting way tickets between stations, given out and taken up by the same conductors, well calculated to prevent frauds by them, were they disposed to commit them. From the system of checks adopted, there would seem to be hardly any room for fraud, by the agents, in any other branch of the passenger business.

The clerk of each line, as above stated, returns, daily, a way bill, showing the number of passengers carried, where from, and where to, and the amount of money received for them. This way bill is examined by the ticket clerk, to see if all the tickets issued are accounted for; then the clerk who

keeps the abstract book examines to see that the proper fares are charged in the way bill, and that the amounts are correctly extended and added up. He then enters the number of passengers and the amount of money on the abstract book, called the daily abstract book, under their appropriate heads, and the clerk who has charge of the day book enters the amount in the day book. The results of the settlements with the Philadelphia and Trenton Railroad Company and the New Jersey Railroad Company are entered in the day book after settlement, generally monthly. The returns from the railroad and transportation agents are also entered in the office of William H. Gatzmer, at Philadelphia, monthly. Other receipts are entered, when received, as nearly as practicable under their appropriate heads, in the day books, the bills and vouchers being carefully examined by the bookkeeper, before he enters them.

At the close of each month, abstracts of the receipts and disbursements are forwarded from each office in Philadelphia and New York, before named, to the general agent, Captain Richard Shippen, at Bordentown. This abstract contains the whole amount of receipts, by each office, from passengers, transportation of merchandise, and other sources; also the number of passengers dutiable, as taken from the daily abstract books; also the whole amount of tonnage of through and way freight, and the dutiable way freight. It shows, also, the disbursements for all purposes during the month.

The agents of the passenger and transportation lines, together with the executive committee and the superintendent of accounts, meet monthly at Bordentown, and examine the abstracts or statements of the business above named, by the proper way bills, vouchers, and receipts; and, if found to be correct, Captain Shippen enters them in the general abstract book, kept by him at that place. This general abstract book contains the entire contents of the monthly abstracts or statements rendered to Captain Shippen, the general agent at Bordentown, by the agents in New York and Philadelphia, before mentioned. It is intended to present the whole current business operations of the railroad, both as to receipts and expenditures. It is also intended to present the whole

number of passengers and the number of tons of merchandise transported across the railroad, liable to transit duty. It also exhibits the number of passengers and the amount of merchandise not liable to transit duty.

It also exhibits the amount due from the Philadelphia and Trenton Railroad Company, for passengers transported by way of Trenton and New Brunswick.

The daily accounts of the receipts of the lines running over the branch road, in connection with the Philadelphia and Trenton, and the New Jersey railroad, are kept in the office of the Philadelphia and Trenton Railroad Company, at Philadelphia, by James Morrell, secretary of said company; and in New York, a daily account of the same lines is kept by the New Jersey Railroad Company. At the close of each month, Mr. Morrell, of the Philadelphia and Trenton Railroad Company, and the agent of the New Jersey Railroad Company, meet together alternately, at Philadelphia and New York, with abstracts of the month's business, and make a statement and settlement of all matters in which the New Jersey railroad is interested. They make a division of the receipts, according to the contract or agreement between the companies, Mr. Morrell acting on behalf of the Trenton and Philadelphia Railroad Company and the joint companies. The amount which may be found due from the New Jersey Railroad and Transportation Company, on such settlement, is paid over to Mr. Morrell. A settlement is then made between the Camden and Amboy Railroad Company and the Philadelphia and Trenton Railroad Company, according to the terms of the contract between them. This settlement is made by Mr. Morrell and Mr. Gatzmer, and the amount found due to the Camden and Amboy Railroad Company is paid over to Mr. Gatzmer. The principle of the division is this: the money received is divided between the two companies in proportion to the distance which the passengers are carried over each road, respectively; each company receives the whole way fare of passengers travelling exclusively on their own road. The Camden and Amboy Railroad Company furnish all the machinery, such as steamboats, locomotives, and cars. They also furnish the

fuel and pay the hands. In consideration thereof, the Philadelphia and Trenton Railroad Company pays the Camden and Amboy Railroad Company ten thousand dollars per month. This is the usual rate ; it has sometimes varied from this sum. No additional compensation is now paid when, for any reason, the trains are obliged to run over the Camden and Amboy road from Trenton to Camden. The through fare on this route has been, until recently, four dollars; out of this, the New Jersey Railroad Company receives one dollar. The other two companies received three dollars, and divided it, as above stated, according to the distance. These have been, until recently, passenger lines exclusively. Mr. Morrell, the secretary of the Philadelphia and Trenton Railroad Company, is required to return, under oath quarterly, to the treasurer of the Camden and Amboy Railroad Company the number of passengers transported across the branch road between Trenton and New Brunswick, in order to enable him to return them to the state.

Thus the treasurer is enabled, by footing up the general abstract book, kept at Bordentown, before named, and adding thereto the number returned to him by Mr. Morrell, to ascertain, and return to the state treasurer, the whole amount of dutiable passengers and merchandise for each quarter.

We will take this opportunity to say that, in our opinion, the system adopted for conducting the passenger business on the railroad, with a slight exception as to the manner in which excursion passengers were in some cases formerly entered, is justly entitled to commendation. It has the merit of simplicity, perspicuity, and precision ; while it secures the faithful discharge of duty, it at the same time affords protection against fraud and imposition.

William H. Gatzmer and Ira Bliss, the two principal agents of the passenger lines in the cities, and Capt. Richard Shippen, the principal agent of the railroad company at Bordentown, have given us, in their testimony, a clear and satisfactory account of the system, and its practical operation.—The books examined by us are kept in complete order.

Much of the credit which may be claimed for the system, is undoubtedly owing to the integrity and ability with which

it has been conducted by the respectable and efficient officers, agents, and clerks connected with it.

It appears to us that the checks imposed upon the several agents, conductors, and other subordinates, are such that a breach of duty cannot escape prompt detection.

Our investigation satisfies us that this branch of the railroad business has been faithfully managed. The omissions in the returns to the state (herein after mentioned) of a small number of passengers, as compared with the vast number carried, we believe to have been occasioned entirely through inadvertence.

For the purpose of ascertaining the truth of the charge above stated, we entered into a minute inspection and examination of the original way bills, vouchers, books, papers, and documents, relating to the passenger business on the railroad, from the time it was opened, in 1832, up to January 1st, 1849.

We soon ascertained that it would be impossible to go through with such particular examination of the whole of the way bills, or even to compare them with the monthly statements and general abstract book; we therefore determined to confine this minute and particular examination of these original vouchers, or records, to certain months in each year, agreed upon, and selected by ourselves.

Our object was, by subjecting these original way bills of passengers, at different periods of time, to a close and critical examination, and tracing the entries based upon them, through all the different books and statements, up to the general abstract book, to determine thereby the credit and authority which the books of the companies were entitled to, as authentic records of their transactions. All the necessary way bills, statements, day books, ledgers, monthly statements, and abstract books, were accordingly furnished to us for that purpose, and the investigation was prosecuted in the manner above stated.

In pursuing it, we carefully examined the original way bills of the different lines for the whole of the several months and periods of time selected. We extracted from them the whole number of passengers appearing upon them

liable to transit duty for the month, and then compared our own calculations with the various monthly statements and entries in the books for the same period of time.

A similar examination of all the way bills of the several passenger lines would have extended this investigation almost indefinitely; we therefore adopted and pursued the plan above stated, as the only feasible mode of ascertaining the facts in connection with the charge, with the reasonable presumption that the result we arrived at would not vary much from the truth, provided we found the entries in the books in the main correct. In addition, we had the evidence of the principal agents and clerks, as to the authenticity of the way bills and the truth and integrity of the books.

We found that our calculations of the way bills, for the several periods of time selected, did in fact, in the general, substantially agree with the entries in the books for the corresponding months.

Being satisfied upon that point, we considered that the credit of the books was sufficiently established.

We then made a calculation and statement from the way bills examined by us, and from the books of the company for the remaining time not covered by the said way bills, of the whole number of passengers liable to transit duty carried over the roads of the joint companies, from the commencement of business, in 1832, to January 1st, 1849, and contrasted our statement with the returns made to the state during the same time.

The result of our investigation into the truth of the first charge, embracing the whole passenger business of the railroad, is shown by the annexed table, marked number 1; by which it appears, that from December 17th, 1832, to January 1st, 1849, two million nine hundred and fifty-three thousand three hundred and twenty-three passengers, liable to transit duty, were carried over the roads of the joint companies, and that, during the same period of time, two million nine hundred and forty-five thousand seven hundred and twenty-nine passengers were returned to the state treasurer for transit duty, leaving a balance of nine thousand and one passengers, liable to transit duty, not returned.

TABLE No. 1. showing, year by year, the whole number of passengers subject to transit duty, carried over the railroads of the joint companies; the number returned for transit duty, in the regular quarterly and supplemental returns, from December 17th, 1832, to December 31st, 1848, as ascertained by the commissioners; including, also, the way passengers made liable to transit duty, and returned, under resolution of 1842, for the years from 1833 to 1842, both inclusive; showing also the difference between the number carried and returned.

Year.	Number carried through and in regular way, liable to transit duty.	Number returned in regular quarterly returns.	No. returned in supplemental returns of 1839 and 1842.	Total number returned.	Difference between the number carried and returned.
1833	109,976 $\frac{3}{4}$	109,908 $\frac{3}{4}$	227	110,135 $\frac{3}{4}$	159 $\frac{1}{4}$
1834	105,107 $\frac{1}{2}$	105,418 $\frac{1}{2}$	447 $\frac{1}{2}$	105,866	753 $\frac{1}{2}$
1835	147,801 $\frac{1}{2}$	147,424 $\frac{1}{2}$	377	147,801 $\frac{1}{2}$	917 $\frac{1}{2}$
1836	164,300 $\frac{1}{2}$	163,651 $\frac{1}{2}$	638	164,289 $\frac{1}{2}$	11
1837	145,583	145,460	122 $\frac{1}{2}$	145,582 $\frac{1}{2}$	$\frac{1}{2}$
1838	167,539 $\frac{1}{4}$	126,688	40,852	167,540	$\frac{1}{4}$
1839	199,111 $\frac{1}{2}$	180,902 $\frac{1}{2}$	17,722	198,624 $\frac{1}{2}$	487
1840	176,844 $\frac{1}{2}$	162,107 $\frac{3}{4}$	14,713	176,825	18 $\frac{1}{2}$
1841	178,740 $\frac{3}{4}$	163,419 $\frac{3}{4}$	14,203	177,627 $\frac{3}{4}$	1,113
1842	168,777	164,120	4,633	168,753	24
1843	165,121	165,256		165,256	135
1844	200,841 $\frac{1}{2}$	200,841 $\frac{1}{2}$		200,841 $\frac{1}{2}$	135 $\frac{1}{2}$
1845	227,462	227,272		227,272	190
1846	239,365 $\frac{1}{2}$	239,276		239,276	589 $\frac{1}{2}$
1847	269,233 $\frac{3}{4}$	265,168 $\frac{3}{4}$		265,168 $\frac{3}{4}$	4,165
1848	236,917 $\frac{3}{4}$	235,786		235,786	1,131 $\frac{1}{4}$
	2,953,323			2,946,646 $\frac{3}{4}$	7,730 $\frac{1}{4}$
	2,945,729 $\frac{1}{4}$			917 $\frac{1}{2}$	135 $\frac{1}{2}$
	7,593 $\frac{3}{4}$			2,945,729 $\frac{1}{4}$	7,594 $\frac{1}{2}$
	1,403	Trips of messenger with express chest of Adams & Co., between New York and Philadelphia, on railroad, from Oct. 1, 1846, to Dec. 31, 1848, as per contract.			
	9,001 $\frac{3}{4}$	Whole number not returned December 31, 1848.			
	7,295 $\frac{1}{2}$	Returned by supplemental return of July, 1849, and duty paid.			
	1,706 $\frac{1}{4}$	Balance of omitted passengers not returned up to Dec. 31, 1848.			

The foregoing table was prepared, in a somewhat condensed form, not only for the purpose of exhibiting by it the result of our investigation into the passenger business on the railroad, but also to show, in one tabular view, the whole of this branch of the railroad business, from the time passengers were first transported over it, in 1832, up to January 1st, 1849.

It will require, however, a few words of explanation.—The column of “number carried liable to transit duty,” con-

tains, not only the dutiable passengers appearing on the books of the company prior to 1842, as ascertained by our own inspection and calculation, but also the way passengers from 1833 to 1842, inclusive, declared dutiable by the resolution of 1842, and returned in the supplemental return of 1843.

This supplemental return shows how many of these way passengers were carried over the road in each of the years, from 1833 to 1842 ; and to this number is added the number of dutiable way passengers of each year, respectively, as they appeared on the books. These dutiable way passengers do not appear on the books, as the company did not consider them liable to the duty prior to the resolution of 1842. The original way bills and other papers had to be resorted to, to ascertain the number, when the return was made out.

The passage money for those passengers was, however, regularly entered in the books, and accounted for with the other receipts.

The number of dutiable passengers for the year 1838, also includes (besides its portion of way passengers, as above mentioned,) 37,832½ passengers, carried in that year over the road, by the way of the Trenton bridge. The company considered that these passengers were not liable to transit duty, and did not return them.

The matter was referred to the legislature, who decided that they were dutiable.

A supplemental return was made in 1839, and \$3783.25, the transit duty upon them, was paid to the state treasurer.

The columns of the table are sufficiently explained by the caption to them.

It will be seen that, for the years 1833 and 4, there was an excess in the return, over the number carried liable to transit duty, of 917½ passengers. This number is deducted from the footing of the column of the whole number returned, because, up to that time, the transit duties and dividends on stock did not amount to the guarantee of \$30,000.

The transit duty on these passengers was not paid over and above the amount of the guarantee, and therefore they must not be set off against defective returns in subsequent

years; consequently they are deducted from the whole number returned, in order to show the true state of the passenger account between the state and the companies.

Our table is the result of close, minute, and tedious investigation, and shows a deficiency in the returns to the state of 7593 $\frac{3}{4}$ passengers, from the opening of the railroad, in 1832, to January 1st, 1849, exclusive of the trips of the messenger with the express chest of Adams & Co. Considering that nearly three millions of dutiable passengers were carried over the several roads during that time, the result may be justly considered as strong evidence of fidelity in this branch of the business.

It is but just to add a word, in explanation of this deficiency: 4171 $\frac{3}{4}$ of the omitted returns were excursion passengers, commencing in 1841, and terminating in 1848. These passengers, having but one ticket, were entered as single passengers in the books, and so returned to the treasurer of the state. But, as they passed twice across the state with the same ticket, they should have been doubled in the books, and so returned for transit duty. Thus it appeared, that in 1841, 1113 excursion passengers, in 1845, 190, in 1846, 489 $\frac{1}{2}$, in 1847, 1247 $\frac{1}{2}$, and in 1848, 1131 $\frac{3}{4}$, in all 4171 $\frac{3}{4}$, were entered and returned single, when they ought to have been entered and returned double. We were entirely satisfied, by the evidence of Capt. Shippen, who acts as clerk for Edwin A. Stevens, the treasurer of the railroad company, and whose duty it is to make these entries in the general abstract book, and prepare the returns to the state treasurer, that the omission was altogether through inadvertency, and unintentional on his part.

Again, 2917 of the balance of omitted returns are for passengers in the second and third quarters of the year 1847, by the accommodation line between Trenton and New York. We found all the passengers by that line regularly entered in the books of the company, and also the receipts for passage money. But in making out the returns to the state for the two quarters of 1847, before mentioned, the above stated omission occurred. Capt. Shippen, who prepared those returns, testified that he could not account for the mistake, nor

was he aware of it, until it was discovered during this investigation. He very frankly took the whole blame of it upon himself, and stated that Edwin A. Stevens, the treasurer of the railroad company, was always particular in charging him to be careful to have the returns to the state correct.

We are fully satisfied that this omission, also, was purely the result of accident or inadvertency. The residue of the omitted returns for passengers, with the exception of the messenger with the express chest, is small in amount, and part of it, to the amount of 100 passengers, is a mistake in addition in the year 1846, as appears by the books.

The messenger with the express chest of Adams & Co. is not entered in the books as a passenger. The officers of the company stated that he had never been considered as a passenger, and therefore had not been returned for transit duty; inasmuch, however, as the company receive, by contract, a certain sum for transporting the chest and messenger, which greatly exceeds what the chest would amount to at the ordinary charge for freight, we consider that the messenger ought to be rated as a passenger, and returned for transit duty. We have accordingly added the trips made by him to the omitted returns.

By a supplement to the regular return of July, 1849, 7295½ of the omitted passengers, according to the table, were returned to the state treasurer, and the transit duty paid, leaving 1706½ passengers not returned prior to January, 1849. That will balance the passenger account to that date.

It will be remembered that the express messenger is here returned for transit duty, only for the trips over the branch road between Trenton and New Brunswick; the evidence being, that the express lines have separate contracts with the New Jersey Railroad and Transportation Company, for the transit over their road.

DISCREPANCIES IN REPORTS RELATIVE TO PASSENGERS.

By reference to the "pamphlet," it appears that some of the charges against the companies are predicated upon the apparent contradictions and discrepancies in the various reports made, from time to time, by the directors to the stockholders. Without explanation, those discrepancies would seem to sustain some of those charges; and although the commissioners did not consider it their duty, as before remarked, to consume much time in an effort to make conflicting reports harmonize, yet, as those discrepancies and the charges are somewhat connected, they thought it proper, if possible, to discover the cause of those discrepancies, and reconcile them, if the facts would warrant them in so doing.

It is with this view that we have prepared the following table, marked No. 2, exhibiting the several reports made by the directors side by side, in contrast with the returns made to the state of the passenger business. The result of our investigation of the facts bearing upon the first charge, as shown in table No. 1, satisfied us that the apparent contradictions and discrepancies in the several reports could be explained and reconciled consistently with truth, and in strict accordance with the facts. We have endeavoured to do this, by the remarks and explanations which follow the table.

In this connection, we will also notice the sixth charge—which is, "that the number of passengers has greatly exceeded the number reported to the stockholders." The annexed table has immediate reference to the charge, and the ensuing remarks upon the several reports set out in the table, will disclose all the important facts in relation to it.

The number of passengers that actually passed over the road, as shown in table 1, as well as the remarks respecting that table, should be kept in view at the same time.

TABLE No. 2, showing, year by year, the number of passengers carried over the railroads of the joint companies, returned to the state for transit duty, from the 17th of December, 1832, to the 31st day of December, 1848, in the regular quarterly returns, as per table No. 1, and also the number of passengers carried over the roads, as reported from time to time to the stockholders.

Year, from 17th Dec. 1832, to 31st Dec.	Number of passengers re- turned to the state for transit duty.	No. of passengers called "transported across the state," in the report of 1840.	No. of passengers called "through passengers," in the report of 1842, made for the years 1840 and 1841.	No. of passengers which have passed from "city to city," as given in the re- port to the stockholders, made in February, 1843, for the year 1842.	No. of passengers carried between New York and Philadelphia, as given in the report of January, 1844, for the year 1843.	No. of passengers carried from "city to city," as given in the report made to the stockholders, in February, 1843, for the year 1844.	Number of passengers called "through passen- gers," in the report made January 12, 1848, to the stockholders, containing a general statement for the last 2 years, from 1840 to 1847, inclusive.
1833	109,908	109,908					153,112
1834	105,418	105,418					153,376
1835	147,424	147,424					140,725
1836	163,651	163,731					138,027
1837	145,460	145,461					163,541
1838	126,683	164,520					188,884
1839	180,902	131,479					200,096
1840	162,107	.....	162,690				222,121
1841	163,419	.....	162,310	144,108			
1842	164,120	.....	.....	.....
1843	165,256	.....	.....	.....	163,073		
1844	200,841	.....	.....	.....	.....	200,340	
1845	227,272	.....	.....	.....	.....
1846	239,276	.....	.....	.....	.....
1847	265,163	.....	.....	.....	.....
1848	285,786	.....	.....	.....	.....

The objects of the foregoing table, sufficiently appear by the caption to it, and the headings of different columns.

The number of passengers returned to the state for transit duty, in the years 1833, 4, 5, 6, and 7, so nearly corresponds, both with the number reported by the directors to the stockholders, and the number actually carried, as ascertained by the commissioners for those several years, as shown in table 1, that the commissioners did not think it necessary to spend time in endeavouring to discover the cause of the immaterial discrepancies. There is every reason to believe they are the result of clerical errors.

The number of passengers reported to the stockholders, by the report of 1840, as "transported across the state" in the year 1838, is, as the table shows, 164,520.

The number of passengers returned to the state in the regular quarterly return for the year 1838, is 126,688.

And by reference to the proceedings of the legislature, for 1838-9, and the state treasurer's account for 1838 and 1839, it will appear that \$3783.25 was received by him for transit duty on passengers from the Camden and Amboy railroad for that year, over and above the amount due upon the regular quarterly returns for the year. This extra payment, at ten cents per passenger, would call for and represent 37,832½ passengers; which, added to the number contained in the regular returns, makes the precise number reported to the stockholders, *viz.*, 164,520.

The number of passengers reported to the stockholders, as transported across the state for 1839, is

181,479

The number returned to the state is

180,902½

Difference,

576½

The number for this year omitted to be returned, as ascertained by the investigation, is 487, as per table 1. The small discrepancy between the number that should have been returned, and that reported to the stockholders, we have not attempted to reconcile. It may have originated from the difference between the civil year and the fiscal year of the companies, which, prior to 1843, run from December

1st to the last day of November. The smallness of the difference repudiates any suspicion of design.

The foregoing remarks will also apply to the immaterial discrepancies between the numbers returned to the state for the years 1840 and 1841, and those reported to the stockholders for the same years, as appears by the above table. It will also be observed that in 1840, 582 $\frac{1}{4}$ more passengers were reported to the stockholders than were returned to the state. But only 18 $\frac{1}{2}$ more than were returned to the state, were actually carried, as ascertained by the investigation. And further, that in 1841, 609 $\frac{1}{4}$ more passengers were returned to the state, than were reported to the stockholders for the same year. This would seem to be conclusive evidence that the difference is not intentional.

We add further, that it is perfectly obvious that the report of 1842, for 1840 and 1841, is in error in calling the passengers named in it for those years "through passengers," because, as appeared by table 1, the number of "through passengers" mentioned in the report corresponds very nearly with the whole number of dutiable passengers for those years, "through," as well as way, as ascertained by our investigation, after deducting the way passengers made dutiable in those years by the resolution of 1842.

The number of passengers returned to the state for transit duty for the year 1842, is 164,120.

The number reported to the stockholders, as having passed from "city to city," in the report of

February 1843, for 1842, is	144,108
In the eight years report of 1848, they are given as	140,725

Difference,	3,383
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This difference of 3383 may be explained thus: the person who prepared the report of 1843, has included in passengers from "city to city"—

1st. Excursion passengers, called New York bay excursion, amounting to	2141
2d. He has made an error in addition of	1000
3d. Leaving uncertain, or unaccounted for,	242
Making	3383

In explanation of the difference between the number reported to the stockholders, and the number returned to the state treasurer for transit duty, we remark, that the number of dutiable passengers for 1842 is, of course, much greater than the number carried from "city to city," because all the dutiable way passengers are to be added to the "through passengers," or those carried from "city to city."

The dutiable way passengers, prior to 1842, and for a small portion of 1842, were all returned separately for transit duty by the general supplemental return made in 1843. But for the greater part of the year 1842, they are included in the regular returns, and thus form a part of the 164,120 returned for that year; and this has been the uniform practice since 1842.

It is apparent that the report of 1843 was intended to show only the passengers carried over the whole line of the road from "city to city," and that it is not quite correct, even as to them.

The number of passengers reported to the stockholders as carried "between New York and Philadelphia," as per report of January, 1844, for the year 1843, is	163,073
The number returned to the state treasurer for the year, is	165,256
	<hr/>
Difference,	2,183

This difference between the return and the report occurred in this way. The return to the stockholders was made according to the fiscal year, that is from December 1st, 1842, to December 1st, 1843, whereas the return to the state was for the civil year, from December 31st, 1842, to December 31st, 1843; and in December, 1843, on the Camden and Amboy route, $8\frac{1}{2}$ more passengers were carried than in December, 1842; and on the upper route, in December, 1843, 2,174 $\frac{1}{2}$ more passengers were carried than in December, 1842, which together make the exact difference of 2,183.

The number of passengers returned to the state for transit duty for the year 1844, is 200,841 $\frac{1}{4}$.

The number reported to the stockholders, as having been

carried "from city to city," as given in the report made February, 1845, for the year 1844, is 200,840½.

According to our investigation, table 1, this amount includes all dutiable passengers carried on the roads of the companies in 1844, and it is therefore evident that the report to the stockholders is in error, in calling them passengers carried from "city to city."

We must look to the eight years report, made in 1848, to ascertain the number of passengers carried from "city to city" in 1844 and the subsequent years.

We remark, in addition, that the number of passengers called "through passengers," in the report made to the stockholders, January 12th, 1848, for the eight years previous, does not agree with the number, also called "through passengers," in the report made in 1842, for 1840 and 1841. It has been shown already, that the report of 1842 was wrong in calling all the passengers reported in it "through passengers." In point of fact, that report was intended to exhibit the whole number of dutiable passengers that passed on the road in those two years, as our investigation shows.

The facts show, to our satisfaction, that the table annexed to the eight years report was intended to be confined, solely and exclusively, to what are literally "through passengers"; that the object in making that table, was to exhibit by it only those passengers who had passed over the whole length of the road, or from "city to city," during the previous eight years.

Our examination shows that the eight years report is very nearly correct with respect to the number of through passengers for the eight years previous. There are a few clerical errors in it, some of which will be pointed out presently. We carefully examined the books and papers upon which this eight years report is predicated, and we herewith append the result of our examination, in contrast with the report.

Number of through passengers reported to the stockholders in the 8 y'rs report.		Number of through passengers according to our investigation.
1840,	153,112½	152,113¼
1841,	153,876¾	153,876
1842,	140,725	141,725
1843,	138,027	138,027
1844,	168,541	166,744
1845,	188,884½	188,992
1846,	200,096	200,096¾
1847,	222,921	222,012
	<hr/>	<hr/>
	1,366,183¾	1,363,586
	1,363,586	
	<hr/>	
Difference,	2,597¾	

It thus appears that the eight years report exhibits 2597¾ more through passengers than we find by our investigation. We noticed several errors in the eight years report, which help to make up this difference; for instance, 1000 too many are reported for 1840; then again, 1000 too few for 1842, 1767½ too many for 1844, 108 too few for 1845, and for 1847, 909 too many, from a manifest error in printing the report, as the addition shows. It is printed 222,921, it should be 222,012. With these corrections, the eight years report will be found very near the truth in showing, as it was intended to do, the whole number of "through passengers" carried over the road from 1840 to 1847, inclusive.

That this number conflicts with previous reports, as shown in table 2, is owing to the causes more particularly referred to in the preceding remarks and explanations.

TRANSPORTATION BUSINESS OVER THE RAILROAD.

The transportation of merchandise over the railroad is conducted under the superintendence of Alfred Decker, at New York, William S. Freeman, at Philadelphia, and Benjamin Fish, at Trenton, the principal receiving and disbursing agents for the business, as before mentioned.

The mode of conducting it is very minutely described in the testimony of the above-named gentlemen, and also in

that of William H. Gatzmer. We will give a brief general view of it. Ever since the railroad has been in operation, the transportation of goods over it has been carried on in the name of the "Union Transportation Line."

This line, or rather a transportation line by this name, was originally owned by David Hill, at Philadelphia, George Abbe, at New York, and the above named Benjamin Fish, at Trenton. They carried on business under the firm of "Hill, Fish & Abbe." This firm had been engaged in the transportation business between New York and Philadelphia, by wagons, across the state of New Jersey, under the name of the Union Transportation Line, for several years before the Camden and Amboy railroad was built. This line commenced in 1824, and was still in operation when the railroad was opened for use. By an arrangement between the railroad company and the above named firm of Hill, Fish & Abbe, the whole transportation business on the railroad was conducted by the said Union Transportation Line. The railroad company received a certain compensation for the use of their works in this transportation business. This arrangement continued until May 1, 1833.

On the first day of May, 1833, the railroad company became the proprietors of the Union Transportation Line, and carried on the business themselves over the road, until the first of January, 1835. During this time they employed Hill, Fish & Abbe as transportation agents, and paid them a compensation of thirteen per cent. on the net proceeds of the business.

On the first day of January, 1835, the New Brunswick Steamboat and Canal Transportation Company, commonly called the "Napoleon Company," (on account, as we believe, of a steamboat of that name formerly owned by them,) became the sole proprietors of the Union Transportation Line, and the transportation business over the railroad was transferred to them.

The New Brunswick company at once took charge of this branch of business over the road; continued it, in the name of the Union Transportation Line, and employed the said Hill, Fish & Abbe as their agents, on commission, in the ma-

nagement of it, until the spring of 1836, at which time Hill and Abbe withdrew, and ceased to have any connection with, or interest in the line. In March, 1836, the New Brunswick company commenced the management of the business themselves, by means of agents under salaries. Messrs. Freeman, Decker, and Fish, above named, were the agents then employed, and they have retained the same connection with the business to the present time.

The arrangement, or agreement, between the railroad company and the New Brunswick company was, that the latter company was to pay the railroad company seven dollars and sixty-four cents per ton for the transportation of freight between New York and Philadelphia, being at the rate of eight cents per ton per mile, as the distance was then estimated between the cities; that is, four dollars and eighty-eight cents for the railroad distance, and two dollars and seventy-six cents for the water carriage, making together \$7.64. For the transportation of way merchandise, the railroad company were to receive a toll of just one half of the above stated rates.

The railroad company were to furnish all the necessary facilities, such as machinery, cars, fuel, engines, and firemen, and the New Brunswick company to be at all the other expenses attending the business. It would appear, by the evidence of William H. Gatzmer, the principal agent of the railroad company, that that company did not make the above arrangement with the New Brunswick company, for the purpose of giving them any undue advantage or preference, inasmuch as, he says, the individuals who had the controlling interest in the New Brunswick company also had a proportionate interest, equally large, in the joint companies; but that the arrangement was made under the idea that the interests of the railroad company would be promoted by it, because by it the railroad company would receive from the New Brunswick company the full amount of tolls named in their charter for the transportation of goods over the road, with much diminished expense to themselves, and at the same time would be relieved from the liability of common carriers. We do not consider it within our province to express any opin-

ion with respect to the policy, propriety, or legality of the arrangement.

It went into operation, and was continued until the 1st of April, 1846. The New Brunswick company, during the whole time, regularly paid the railroad company the full amount of the above stated tolls. In addition to the tolls, we will add in this place, (although perhaps not strictly relevant) that the New Brunswick company paid the railroad company in 1842, as appears by their books, the sum of twenty-four thousand two hundred dollars, for the use, by the New Brunswick company, of the steamboats Burlington and Trenton, owned by the railroad company, in the Delaware river, in the years 1841, 2.

On the first of April, 1846, the above stated arrangement between the railroad company and the New Brunswick company was dissolved or discontinued, and the latter company ceased to have any thing to do with the transportation business over the railroad; and since that time the railroad company have themselves carried on the whole transportation business across the road, under the old name of the Union Transportation Line. The name of Union Transportation Line was retained, as William S. Freeman, one of the agents, tells us in his testimony, "because it was an established line, and there was no just cause for changing it; and being a popular and well known designation, the name was retained, as a matter of convenience and policy."

We are not aware of any good reason why the old name of the line should not have been retained and used by the railroad company, nor do we believe that the public can in any way be prejudiced by it. And then again, we can readily appreciate the force of the argument in favour of it, founded upon convenience and policy.

For some coarse through freight, and for a class of freight called winter freight, the amount received by the railroad company for tolls from the New Brunswick company was less than the rates before named. By winter freight, as explained by the witnesses, is meant all freight formerly shipped by the agents of the canal barge lines, after the closing of the canal for the winter, and transported over the railroad.

until the opening of the canal in the spring. We shall find it necessary to make some further remarks, hereafter, respecting the winter transportation.

The following, is a brief review of the mode of conducting the transportation business, as detailed by the witnesses.

First, the goods are delivered at the office of the principal agent at each end of the line, and are weighed on a scale; the weights are entered on a slate, according to the marks and numbers of the packages. A memorandum is then given at the scales to the shipper, containing the marks and number of the package, to whom consigned, and by whom shipped; this memorandum is taken to the office, where a receipt is given for it, and the articles recorded on the entry book, and also entered on a way bill. The entry book and way bill show the marks and numbers of the packages, weight of each entry, by whom shipped, and to whom consigned, the rate of freight, and the amount received, or to be received for freight, together with the charges advanced on goods, if any. The goods and way bill are then forwarded to the other end of the line. The entry book of the forwarding agent, before spoken of, operates as, and in effect is, a charge against the receiving agent at the other end of the line, of the amount of the way bill so forwarded to him; and he is required, at the stated settlements, to account for the amount of freight appearing on the said way bill. The effect is, that each agent acts as a check upon the other. These way bills are always carefully preserved, and may be referred to, in case the accounts or returns of either of them are called in question.

It appears to us that, from the manner in which this transportation business is conducted, there is no room for fraud to any extent, either as to receipts or tonnage, except by collusion between the principal agents; nor even then, without the privity of some of the subordinates.

In justice to the present respectable agents of this business, we must add, that we have discovered nothing upon which to base the least suspicion of the kind, with respect to them.

Way freight is received by the way agents of the trans-

portation lines in much the same manner as at the principal offices, with the exception, that it is not always weighed at the point at which it is received. Formerly this was more usual than at present. Several of the way stations on the road have lately been supplied with scales. Articles, the general weight of which is known, are not weighed. A way bill of such articles as are received at way stations is made out, and delivered to the conductor of the transportation train carrying the goods, and is handed by him to the agent who receives the goods at the place of delivery. When that office is at the end of the line, the several articles of way freight are entered at large on the principal way bill, and the weight annexed, with the amount of charges for freight. When way freight is carried between intermediate points or stations, or received and delivered at intermediate points on the line, the agent at the place of delivery generally collects the freight money, and hands it over, with the way bill for it, to Benjamin Fish, who, at some subsequent time, returns both to the principal office at the end of the line, where they are entered in some through way bill of that month, generally at the end of the month. The returns of this kind, now made by Mr. Fish, are more specific than formerly, as to items. The goods are carried in the summer season by steamboat between Philadelphia and Bordentown, and by railroad between Bordentown and Amboy; in the winter, by railroad from Camden to Amboy, and between Amboy and New York by steamboat.

Upon the receipt of goods transported over the railroad, freight bills are made out, which contain a list of the articles, and the amount of the freight and charges to be collected. These bills are then examined by another person, and entered in a book called a journal, the total footing of which corresponds with the amount charged to the general receiving agent. In case of loss of freight money, the amount is charged in the expense account. The tonnage, however, is returned to the state for transit duty. Certain goods are transported daily over the railroad between New York and Philadelphia, for the express lines of Adams & Co., Livingston & Co., and Kinsley & Co., in crates, exclusively as-

signed to them, for which they severally pay a certain sum by contract. The amount of tonnage thus carried for these express lines is ascertained, and entered weekly in the office of the principal transportation agent at Philadelphia. The weight of the goods carried for these express lines, until within about a year past, was ascertained by estimate, as hereafter explained.

The books of the several agencies show the amount and kind of freight carried over the road each day, as entered in the regular way bill, the amount of money received for the transportation, and the disbursements for expenses incident to the business. Shortly after the close of each month, the several agents, with their books and vouchers, meet the executive committee of the joint companies at Bordentown, for the purpose of settling and adjusting the business of the previous month. The books, accounts, and vouchers of the agents are then examined, and, if found correct, a statement or abstract of the business of the month is made out. This abstract is then sent to the office of Mr. Gatzmer, the general railroad agent in Philadelphia, who enters the contents of it in his monthly statement of receipts and disbursements, which he afterwards forwards to the principal agent at Bordentown, who then enters the several items contained in it under their proper heads, in the general abstract book.

We have before said that this monthly statement shows the whole amount of the through, way, and dutiable way merchandise, carried over the roads of the company during the preceding month. The merchandise contained in it, which is carried over the branch road, is returned to Mr. Gatzmer by Benjamin Fish, the agent at Trenton, without being entered on any of the regular way bills. The tonnage of the winter freight, and the net balances of money due the railroad company for it, after payment of expenses, is usually returned to Mr. Gatzmer, by the regular transportation agents, at the end of the season, after some monthly settlement at Bordentown, and entered by him for the month in which the settlement is made. We have now explained how Mr. Gatzmer is enabled, in his monthly statements, to show the whole amount of merchandise that passes over the road.

There has been no change or alteration since January 1st, 1835, in the manner of making the settlements for the transportation business, and carrying the results into the general abstract book.

Prior to April 1st, 1846, the New Brunswick company paid, after each monthly settlement, to Mr. Gatzmer the amount due the railroad company for toll for transportation, at the rate herein before mentioned.

After the railroad company began to carry on the transportation business over the road themselves, the accounts for a time were kept, for convenience, in the same manner as they were before. That was the case from April 1st, 1846, to the close of the year 1847.

The transportation account was credited with the same amount that was paid, prior to that time, by the New Brunswick company for tolls, while they conducted the business, at the rate of \$7.64 per ton. And the residue of the gross receipts, after deducting all expenses incident to the business, paid by the transportation agents, was credited to an account, called the "insurance account." This formed a surplus fund, arising from the transportation business, after accounting for the \$7.64 per ton and all the expenses, and was suffered to remain as a reserve fund, so long as prudence seemed to require, to meet any claims or demands for loss or damage in the transportation business.

At the close of the year 1847, this reserve fund amounted to the sum of \$32,021.39. It was then paid over to the treasurer of the railroad company, and accounted for by him with the other receipts. This insurance account was closed at that time, the reduced rates or charges for freight received after that time leaving no surplus moneys to be carried to such account.

Since the decision of the supreme court of this state, in the case of Briggs against the Camden and Amboy Railroad and Transportation Company, at January term, 1848, or shortly thereafter, the rates of freight for transportation on the railroad have been reduced. The former rates were charged in the way bills for a time; but only the rates by that judgment declared to be legal were collected, as a gene-

ral thing. Afterwards the charges were made to conform to that decision, and such is the practice at this time. From April 1st, 1848, to March, 1849, an account was kept, called "deferred claims," which shows the difference in the amount charged on the way bills; and eight cents per ton per mile, collected by the companies.

This account still stands open, on the books of the transportation agents, against the persons whose goods were transported.

One of the agents thinks it would amount, during that time, to \$30,000 for the Philadelphia end of the line. Since the decision above named, the companies have charged for transportation on the railroad, at the rate of eight cents per ton per mile, or seven dollars and twenty cents from city to city, rating the distance at ninety miles. They have also arranged a tariff of tolls, at the same rate, for intermediate points; some articles, such as sheetings, brown drillings, flour, iron, &c., are carried at a less rate than eight cents per ton per mile.

By the general abstract book, the treasurer of the railroad company can ascertain, at the end of each quarter, the amount of merchandise transported over the road subject to transit duty, the through, the way, and the dutiable way, being entered in it for each month, under separate heads. The footing up of each quarter shows the amount of each kind.

The second charge in the "pamphlet" is, "that the quantity of freight carried on the railroad has been far larger than has been reported for transit duty."

To ascertain the facts in reference to this charge, we pursued a plan of investigation similar to that before detailed with respect to the passenger business, that is, by examining minutely and carefully the original way bills, vouchers, and books of the transportation lines, for each trip, for various periods of time, running through the whole course of business from 1833 to 1848, inclusive. All the original way bills, books, and papers of the New Brunswick company connected with the transportation business, while they conducted it, were laid before us and examined, after being verified by the oaths of the different agents and clerks. We made our

own calculations and statements, and traced the various charges and entries, based upon the original way bills, through the several books and statements, up to the general abstract book. This examination was necessarily very tedious and laborious, in consequence of the detailed manner of making out the way bills and the extent of the business. This will surprise no one, when it is understood that a single way bill for one train sometimes filled from fifteen to twenty sheets of paper.

Our inspection and calculations of way bills, for different periods of time, were very minute and particular; and to ascertain the facts fully, with respect to way freight especially, we found it necessary to canvass all the way bills for the three years preceding 1849. We present the result with great confidence.

On comparison we found our statements and calculations to agree, both as to tonnage and money, with the corresponding entries and charges in the books, with few and very trivial exceptions; so few and immaterial, indeed, that we did not consider them worthy of attention. In some instances our calculations of tonnage exceeded, and in some fell below the entries in the books, by a few tons, or fraction of a ton, in no case exceeding seven tons. But in general they agreed.

We found the money receipts always correctly entered and accounted for. The result was, we were satisfied that the books could be relied upon as authentic records of the transportation business over the railroad, with the exceptions, hereafter explained, of the deficiency in the return of winter freight and merchandise carried by the express lines.

Prior to the resolution of 1842, no way merchandise was returned for transit duty. By a supplemental return, made in 1843, all the way merchandise carried over the road previous to that time, and rendered dutiable by the resolution, was returned, and the transit duty paid. After that time, the way merchandise subject to transit duty was regularly entered in the books, and included in the quarterly returns. We have prepared a table, hereunto annexed, marked No. 3, exhibiting the whole transportation business over the railroad from December 17th, 1832, to December 31st, 1848.

That table shows the result of our examination of the facts bearing on the second charge, by which it appears from the books of the companies, according to our investigation, that from December 17th, 1832, to December 31st, 1848, 280,966 tons 18 cwt. 3 qrs. 21 lbs. of through freight were carried over the railroad, and 24,386 tons, 18 cwt. 1 qr. 27 lbs. of dutiable way freight, making together 305,353 tons, 17 cwt. 1 qr. 20 lbs. There were returned to the state for transit duty, during the same period of time, 303,788 tons, 1 cwt. 1 qr. 27 lbs. of through and way freight together, leaving not returned, on the 31st December, 1848, 1565 tons, 15 cwt. 3 qrs. 21 lbs. In addition, we find that 390 tons of merchandise, carried across the state in the express chests of Adams & Co. and Livingston & Co., have not been returned; and further, that there is a deficiency in the return of what is called winter transportation over the railroad, according to our estimate and calculations, of 8635 tons, 19 cwt. 1 qr. 19 lbs., making altogether not returned up to December 31st, 1848, 10,591 tons, 15 cwt. 1 qr. 12 lbs. It will be seen that we have, at the foot of our table, added the omitted return of the express chests and the defective return of winter transportation. The several items included in the total amount of deficient returns, as shown by the table, will require some further notice and explanation.

TABLE No. 3, showing, year by year, the amount of merchandise, through and way, transported on the railroad, the amount of dutiable way, the amount of through and way liable to transit duty, and the number of tons returned for transit duty, from December 17th, 1832, to December 31st, 1848, as ascertained by the commissioners.

Year, from Dec. 17th, 1832, to Dec. 31st.	Through.	Way.	Dutiable way.	Through and way liable to duty.		Amount returned for transit duty in the regular re- turns.		Amount of dutiable way returned by sup- plemental return of 1842.
				Tons, cwt. qr. lb.	Tons, cwt. qr. lb.	Tons, cwt. qr. lb.	Tons, cwt. qr. lb.	
1833	Tons, cwt. qr. lb. 6,043 7 0 13	Tons, cwt. qr. lb. 2 5 0 00	Tons, cwt. qr. lb. 2 5 0 00	6,045, 12 0 13	6,043 7 0 13	6,043 7 0 13	2 5	
1834	8,397 7 1 14	15 5 0 00	15 5 0 00	8,412 12 1 14	8,397 7 1 14	8,397 7 1 14	15 5	
1835	10,810 17 3 2	96 7 0 00	96 7 0 00	10,907 4 3 12	10,810 17 3 2	10,810 17 3 2	96 7	
1836	12,507 14 0 10	219 0 0 00	219 0 0 00	12,726 14 0 10	12,507 14 0 10	12,507 14 0 10	219 0	
1837	10,641 18 1 9	290 0 0 00	290 0 0 00	10,931 18 1 9	10,641 18 1 9	10,641 18 1 9	290 0	
1838	11,765 6 1 12	1,558 13 3 11	380 14 0 00	12,146 0 1 12	11,765 6 2 00	11,765 6 2 00	380 14	
1839	13,510 3 1 12	2,261 18 0 22	717 14 0 00	14,227 17 1 12	13,510 3 1 12	13,510 3 1 12	717 14	
1840	11,425 6 1 12	3,356 16 2 22	1,262 1 0 00	12,687 7 1 12	11,425 6 1 12	11,425 6 1 12	1,262 1	
1841	14,652 7 0 5	3,555 18 2 18	740 13 0 00	15,393 0 0 5	14,652 7 0 5	14,652 7 0 5	740 13	
1842	14,200 17 0 19	4,130 13 0 19	973 11 3 13	15,174 9 0 4	14,226 16 0 4	14,226 16 0 4	947 13	
1843	20,123 14 3 21	4,052 6 0 27	1,024 5 0 11	21,143 0 0 4	21,027 2 0 12	21,027 2 0 12		
1844	24,905 11 2 15	5,610 14 0 2	772 12 1 20	25,678 4 0 7	25,678 4 0 7	25,678 4 0 7		
1845	25,372 17 3 5	7,489 16 1 12	2,136 6 0 24	27,509 4 0 1	27,509 4 0 1	27,509 4 0 1		
1846	26,628 10 1 8	13,198 7 3 18	3,659 2 3 4	30,287 13 0 12	29,912 13 0 12	29,912 13 0 12		
1847	36,707 4 3 26	16,892 5 3 15	7,065 14 3 14	43,772 19 3 12	43,334 19 3 12	43,334 19 3 12		
1848	33,273 14 1 6	15,095 9 0 6	5,031 6 0 25	38,305 0 2 3	37,673 18 1 14	37,673 18 1 14		
	290,966 18 3 21	82,611 10 1 17	24,386 18 1 27	305,353 17 1 20 303,788 1 1 27	299,117 5 1 27 4,670 16 0 00	299,117 5 1 27 4,670 16 0 00	4,670 16	
				1,565 15 3 21	303,788 1 1 27	303,788 1 1 27		

Deficiency in returns, as shown by table,

	Tons, cwt. qrs. lbs.
Deficiency in return brought forward,	1,565 15 3 21
Add through merchandise carried by the express chest of Adams & Co., from Oc- tober 1st, 1846, to December 31st, 1848,	251
Do. do. merchandise carried by express chest of Livingston & Co., from March 1st, 1847, to December 31st, 1848,	139
Do. do. in return for winter transportation, from 1841-2 to 1848-9, both inclu- sive,	8,635 19 1 19
Whole amount not returned December 31st, 1848,	10,591 15 1 12

NOTE.—The whole amount of way freight carried in the years 1833 and 4, does not appear in the table. The dutiable way freight carried in those years was ascertained when the supplemental return of 1843 was made. Since that time some of the way bills for those years have been mislaid, and we could not therefore ascertain the whole amount of way freight not dutiable for those years.

The foregoing table will be readily comprehended; from the caption to it, and the headings of the several columns. It will be seen that by adding, for each year, the dutiable way merchandise returned in 1843, under the resolution of 1842, to the amount of merchandise returned in each year, in the regular quarterly returns, from 1832 to 1842, inclusive, the aggregate amount corresponds with the whole amount of through and way merchandise liable to transit duty for the same period of time, as ascertained by us, and shown in the table.

The table shows that the amount transported and liable to transit duty for the years 1843, 4, and 5, exceeds the amount returned to the state for those years, by 120 tons, 17 cwt. 3 qrs. 20 lbs. of through freight in 1843, which by some inadvertence was omitted in the regular returns for the year.

This item has since been returned in a supplement to the quarterly return of July, 1849.

WAY MERCHANDISE.

The freight liable to transit duty, carried over the road in the years 1846, 7, and 8, exceeds the amount returned for those years, by 1444 tons and a fraction, as appears by the table. This deficiency is all way freight, and arose in this way: we noticed in our examination of the transportation way bills, in 1846, that way freight, carried over the road to South Amboy, from certain points and places on the railroad between Camden and Bordentown, and also some from Princeton, by the way of Bordentown, to Amboy, had not been returned for transit duty. Previous to that year such freight had been returned. In order to ascertain the whole amount thus omitted, we were compelled, as already stated, to examine all the way bills for the years 1846, 7, and 8. In 1846, we found it amounted to 375 tons, in 1847, to 438 tons, and in 1848, to 631 tons, altogether for the three years 1444 tons and a fraction. We considered this way freight as fairly chargeable with transit duty, and have therefore included it in our calculations and table. The importance of this subject demands a more extended notice.

By reference to the resolution of March 10th, 1842, already referred to, it will appear that the companies are required to pay transit duty upon all passengers, and upon all goods, wares, and merchandise theretofore transported from Camden, Burlington, Bordentown, the Trenton Delaware bridge, the city of Trenton, or any point or place on the Delaware river, to South Amboy, the city of New Brunswick, or any other point or place on the Raritan river or bay; and from South Amboy, the city of New Brunswick, or any other point or place on the Raritan river or bay, to the city of Trenton, the Trenton Delaware bridge, Bordentown, Burlington, Camden, or any other point or place on the Delaware river.

It appears by the books and papers, and the testimony of some of the agents, that the companies have construed the above resolution, so far as passengers are concerned, to include as dutiable all passengers who pass over their road from Bordentown to Amboy, and from Amboy to Borden-

town, without regard to the point from whence they started or the place to which they were going. The same construction was formerly given to the resolution with respect to merchandise, and acted upon up to 1846, and the merchandise thus transported was returned as dutiable. About that time a change was made with regard to way freight, taken up at certain points between Camden and Bordentown, and such freight has not since then been returned for transit duty.

The 1444 tons not returned, as above stated, is made up of such freight, including some sent from Princeton, by way of Bordentown, to South Amboy.

Mr. Decker, in his examination on this subject, says: "A discussion arose at a monthly meeting for settlement, three or four years ago, about the true construction of the transit duty resolution of the legislature, passed in 1842; and the conclusion was, that we should in future return only for those places and points named in the resolution, that is to say, from Camden, Burlington, Bordentown, the city of Trenton, and the Trenton Delaware bridge. It was supposed that the points on the river were named in the act, for the purpose of embracing all goods that might be landed at those points from the river, whether from Philadelphia, Easton, or elsewhere. Our returns have always embraced goods starting on our railroad from these points, whether coming from the river or not, and also all goods destined for these points from South Amboy." Mr. Freeman, in his testimony, in speaking of their practice of returning way freight, says: "Prior to some two or three years ago, Mr. Decker and myself construed the way freight subject to transit duty, to include all points on the railroad below Bordentown, transported to or from Amboy. We were told that this was wrong, and we were directed to return freight only from the places or points named in the resolution. The reason given was, that our previous mode was not in accordance with the resolution of the legislature."

It appears that the companies do not consider way freight liable to transit duty, under the resolution of 1842, unless it is taken up or delivered at one of the points named in the resolution, although it passes the length of the road between

Bordentown and South Amboy; and since 1846 no such way freight has been returned. We differ with the company in this construction of the resolution, and consider it our duty to add the said 1444 tons to our table, as not returned.

This freight was taken up at different points on the road between Bordentown and Camden, but not at any one of the places named in the resolution of 1842, and it was all carried by way of Bordentown to South Amboy; and as Bordentown is one of the places named in the resolution from which freight is dutiable, we considered that this freight, both within the words and spirit of the resolution, should have been returned.

We have thought it proper to present this matter distinctly to the notice of the legislature, so that if we are wrong in our construction of the resolution, the error may be corrected by the proper authority. Although we have felt it to be our duty to hold the joint companies to a strict accountability, we should regret to be the cause of injustice towards them.

The way transportation business over the railroad is largely on the increase, and although the deficiency in the return is, as yet, small in amount, it may, and no doubt will in a few years become a matter of very considerable importance.

It is well worthy of notice that the way freight, since 1835, has increased in a much greater ratio than the through transportation; for example, it will appear by the table, that in—

1835, the way is 1,451 tons, the through 10,811 tons.

1840, “ 3,356 “ “ 11,425 “

1845, “ 7,489 “ “ 25,372 “

1846, “ 13,198 “ “ 26,628 “

1847, “ 16,892 “ “ 36,707 “

1848, “ 15,095 “ “ 33,273 “

showing that in 1835 the way, compared with the through, is as about one to seven, and that in 1846, 7, 8, is nearly one half as much as the through freight.

We also observed, in going over the way bills, that in the year 1847, for several months, the way freight actually exceeded the through. It is evident, from the above facts, that if the same ratio of increase should continue, the time is not

far distant when the way transportation will exceed the through in amount.

The above comparisons also afford evidence that, for the support of these great works, the companies will not be obliged to rely entirely upon foreign business.

From year to year a local business is gradually but steadily increasing, as additional facilities are afforded and encouragement held out, to the great benefit of the citizens of the state, as well as of the companies.

The transportation of peaches forms a prominent item in the way freight, and, as public attention has been directed to it, some notice of it may be proper. It appears, by the testimony of Alfred Decker, that the companies have run a train between South Amboy and Camden, during the summer season, for six or eight years past, called the way freight line, for the purpose of carrying the produce of the state of New Jersey to market. This train, he informed us, was generally able to do all the business that offered, although there have been some instances to the contrary. A full account of the peach transportation will be found in the testimony of Gen. William Cook.

He says, that during the time of peach marketing, in 1846 and 7, a number of trains were required in addition to the ordinary transportation lines. And he further informs us, in his testimony, why, and under what circumstances, cars loaded with peaches were in some cases attached to the morning passenger trains.

We think it unnecessary to extend this report by a detail of the facts and circumstances. We place a high estimate upon the value and importance of this branch of our domestic trade, and are satisfied that all proper facilities given to it, will add greatly to the wealth of the state and the revenues of the joint companies.

A regular tariff of rates, according to distance, has been lately established by the companies for this kind of transportation.

EXPRESS CHESTS.

The amount of merchandise carried between Philadelphia and New York, in the express chests of Adams & Co. and Livingston & Co., is not specifically entered in the books of the company.

The quantity which each chest is authorized to carry, is limited and determined by express contracts, which were laid before us. We took the maximum amount named in the contracts in our calculation of the number of tons of dutiable merchandise carried by them, and which had not been returned to the state treasurer. The quantity by each express line appears in the additions made at the foot of the foregoing table.

It must be remembered that these "express chests" are not the same as the "express crates," hereafter more particularly spoken of; they are chests belonging to the above named express lines, and carried between the cities, by the trains that are run over the branch road, in connection with the Philadelphia and Trenton, and New Jersey railroad, and before adverted to in our remarks relative to the passenger business.

WINTER TRANSPORTATION.

This winter transportation is confined to goods shipped by J. & N. Briggs from New York, and William M. Baird & Co., and their predecessors, from Philadelphia, and carried over the railroad in the winter season, to accommodate the customers of the canal line of barges, and to keep up the business of those lines while the canal is closed. These goods are generally carried at lower rates of freight than is charged on goods carried in the regular railroad lines, being articles that usually go through the canal, when it is open. This kind of transportation over the railroad commenced in the winter of 1841 and 2, and has been continued ever since, during the suspension of canal navigation in winter.

The rates of toll paid by the New Brunswick company (the proprietors of the canal barge lines) to the railroad com-

pany, on this winter transportation, has varied from \$2.24 to \$2.75 per ton.

The goods transported by this winter line have not usually been weighed by the agents, either upon the receipt or delivery. In order to ascertain the number of tons subject to transit duty, the following method has been adopted and pursued: one hundred pounds have been returned for transit duty for every twenty-five cents charged in the way bill for freight.

This rate was ascertained, as stated by the agents, by weighing two cargoes, one of which made 27½ cents, and the other 26 cents, for freight money for every hundred pounds. Twenty-five cents was then fixed upon by them, as the estimate of one hundred pounds of merchandise, and according to that standard it has been returned, except for the winter of 1841 and 1842, when it was returned at the rate of twenty cents per one hundred pounds.

Upon investigating this branch of the transportation business, we ascertained that twenty-five cents per hundred pounds was too high a rate for estimating this freight. We then requested the companies to cause a re-estimation to be made by some of the clerks of the transportation lines, who were familiar with the matter. This was accordingly done by J. G. Sweet, Samuel Thompson, and W. S. Freeman, all of them connected with the transportation business. And, as the result of this re-estimation, they have presented to us the following series of estimates and tables from 1841-2 to 1848-9.

WESTWARD.

Years, winter of.	No. barges.	Amount of freight of barges.	No. of pounds of barges estimated.	Rate of 100 lb. for each year.
1841-42	5	\$1,560 13	754,070	20 $\frac{3}{4}$
1842-43	10	2,096 94	1,088,843	19 $\frac{1}{4}$
1843-44	10	2,919 93	1,337,831	21 $\frac{1}{2}$
1844-45	9	2,459 15	1,099,688	22 $\frac{1}{4}$
1845-46	11	2,749 54	1,172,845	23 $\frac{1}{2}$
1846-47	7	2,171 83	989,440	21 $\frac{3}{4}$
1847-48	8	2,199 06	815,161	26 $\frac{3}{4}$
1848-49	7	1,637 56	741,094	22
		\$17,794 14	8,048,972	

EASTWARD.

Years, winter of.	No. barges.	Amount of freight of barges.	No. of pounds of barges estimated.	Rate of 100 lb. for each year.
1842-43	11	\$2,272 15	1,664,669	13 $\frac{2}{3}$
1843-44	9	1,995 05	1,278,165	15 $\frac{1}{2}$
1844-45	8	2,800 00	1,768,679	15 $\frac{3}{4}$
1845-46	11	2,483 95	1,617,778	15 $\frac{1}{3}$
1846-47	6	1,605 19	1,085,223	14 $\frac{1}{2}$
1848-49	9	2,245 89	1,198,743	18 $\frac{2}{3}$
		\$13,402 23	8,613,257	

By our direction, the above estimates were made in this manner: the actual weight of the goods contained in every fifth manifest, both westward and eastward, for each winter season, was estimated, and the rate charged per one hundred pounds for transportation ascertained in that way, in order to arrive at a fair average of freight charged for the season. We are satisfied that the work was done with truth and fidelity.

It will appear, by the foregoing tables, that the rate charged for freight, per hundred pounds, is much less than the rate at which the merchandise has been returned for transit duty.

The following table is made out for the purpose of ascertaining, according to the rate per hundred pounds, shown by the said estimates, the deficiency in the returns made to the state for this kind of merchandise. Each season is calculated according to the rates ascertained by the foregoing tables. For two of the seasons, some of the manifests for the eastward business were not found.

We have taken the average rates next to them, to complete the table.

TABLE OF WINTER TRANSPORTATION.

Years.	No. of tons returned for transit duty.	No. of tons ascertain- ed as subject to tran- sit duty.	Tons deficiency.
	Tons, cwt. qr. lb.	Tons, cwt. qr. lb.	Tons, cwt. qr. lb.
1841-42	3,272 10 1 17	3 806 4 0 00	532 13 2 11
1842-43	3,575 16 0 20	5,440 18 0 00	1,865 1 3 8
1843-44	4,132 1 0 20	5,583 8 0 00	1,451 6 3 8
1844-45	4,046 18 1 20	5,313 12 0 00	1,266 13 2 8
1845-46	4,604 1 3 4	5,878 14 0 00	1,274 12 0 24
1846-47	3,259 2 3 16	4,496 4 0 00	1,237 1 0 12
1847-48	1,920 2 3 4	2,114 6 0 00	194 3 0 24
1848-49	3,545 8 3 20	4,359 16 0 00	814 7 0 8
	23,357. 2 2 9	36,993 2 0 00	8,635 19 1 19

It appears, by the above table, that there is a deficiency in the return of this winter transportation of 8635 tons, 19 cwt. 1 qr. and 19 lbs. which, as will be seen, is added at the foot of table 3. In this instance our investigation has run into the year 1849. This was unavoidable. The winter transportation, being the work of a season, necessarily includes a portion of two civil years. To complete the investigation for 1848, we were therefore compelled, in this case, to include a part of 1849. We understand from the officers of the companies, that the practice now is to weigh this winter freight. This will prevent any future difficulty with respect to the amount of tonnage to be returned to the state.

EXPRESS CRATE TRANSPORTATION.

We have already stated that the express lines of Adams & Co., Livingston & Co., and Kinsley and Co. transport goods over the railroad. The arrangement with these express lines is as follows:

Each line is furnished, daily, with a certain number of crates. The proprietors of the several lines carry in them whatever they choose, except gold and silver, and pay to the railroad company two-thirds of their charges for freight, as manifested by their way bills. It is stipulated that the amount paid shall not be less than twelve dollars and fifty cents per crate.

The line of Adams & Co. was commenced in 1842, Liv-

ingston and Co. started theirs in 1844, and Kinsley & Co. February 21st, 1848. The crates go with the regular transportation trains between Bordentown and South Amboy.

For the year 1849, these crates have been regularly weighed on a large platform scale, at Philadelphia, by Mr. Freeman, the agent of the railroad company, and the actual weight of the merchandise returned for transit duty in the monthly statements before explained.

But previous to 1849, the weight of the merchandise so transported was ascertained by estimating one hundred pounds of merchandise for every one dollar and fifty cents of freight charged by the several lines, or, which is the same thing, for every dollar received by the railroad company.

Mr. Decker, in his testimony, says: "I think this method of ascertaining the weight of goods carried by the express crates was fair at the commencement of the business. It was then almost exclusively a package business. Since then the character of the business has materially changed; they now carry heavy goods at lower rates than formerly. I think we did not return as much as they carried prior to this year, arising from the fact that their business and prices changed, and we continued to make our returns in the same way. The present mode of weighing the crates must be correct."

It appears that, as the number of these express lines increased, they carried heavier goods at cheaper rates, in opposition to one another. Something more than a year ago Mr. Decker made an average of rates charged by these lines, and ascertained that the charges made by Adams & Co. averaged about ninety cents per hundred pounds, and those made by the others somewhat less. At that time Mr. Freeman weighed the crates, and Mr. Decker ascertained the average by comparing the weights with the amount of money charged by the express lines.

The present practice of actually weighing all the crates, was adopted by reason of the belief that the former mode of estimating the weight was uncertain. There had been no facilities for weighing it previously. Two or three years previous to 1849, the number of express crates going over the

road per week, full and empty, was about fifty-four; the present number averages about ninety-six per week.

Mr. Decker could not point out any mode by which the true amount of tonnage could be ascertained for the time when, as he supposes, the estimate was too small.

It seems, from the evidence, that Mr. Freeman did not weigh the crates, as above stated, with reference to the amount of tonnage carried, but simply to ascertain thereby the rates of freight charged by the express lines. The inducement to do so, was an apprehension that the express lines, by reason of the competition amongst them, might seriously interfere with the regular transportation business of the railroad company; although it turned out, as the witness says, not to be so, to the extent that was suspected. It appears to have been the act of the agents alone; the question of transit duties had nothing to do with it.

Mr. Decker says it was done on his suggestion, without any conversation with, or directions from the executive committee.

We also learn from him that the attention of the agents was drawn to the subject of transit duties, in connection with these express lines, by the charges brought against the companies; and that the present system of weighing the crates was adopted for the purpose of ascertaining the weight with certainty. He estimates a full crate at three thousand pounds of such goods as these lines usually carry.

It is a fair presumption, from the evidence, that prior to 1849, the whole amount of tonnage carried by these express crates has not been returned for transit duty.

We have not looked into this matter for the purpose of ascertaining the extent of this probable deficiency, but because it forms an important part of the transportation business over the railroad. We have no means of determining the actual amount of freight carried by these lines prior to 1849. If the present system of weighing the crates is adhered to, as it should be, there will be no difficulty in ascertaining and returning the correct amount of freight carried by them for transit duty.

DISCREPANCIES BETWEEN RETURNS OF FREIGHT TO THE
STATE AND REPORTS TO THE STOCKHOLDERS.

We have prepared the following table, No. 4, in order to present at one view the returns made in each year to the state of merchandise for transit duty, in contrast with the reports made by the directors, at different times, to the stockholders of the amount of such transportation.

We do this because alleged discrepancies between those returns and reports are pointed out in the "pamphlet," in support of the second charge, respecting railroad transportation. And again, because a proper understanding of the facts relating to the seventh charge, which is immediately connected with this branch of the investigation, required such a table.

The seventh charge is, "that the quantity of freight passing on the railroad has greatly exceeded that reported to the stockholders."

It became necessary, therefore, to ascertain, if possible, whether the several reports, above referred to, were correct or not, and why they varied from each other.

Some time was devoted to the examination of this matter, the result of which will appear by the remarks immediately following the table.

TABLE No. 4, showing, year by year, the amount of merchandise carried over the railroads of the joint companies, and returned to the state for transit duty, from December 17th, 1832, to December 31st, 1848, and also the amount of merchandise so carried, as reported, from time to time, by the directors to the stockholders.

Year, from 17th Dec. 1832, to 31st Dec.	Number of tons of mer- chandise returned to the state for transit duty in the regular quarterly re- turns.	No. of tons reported to the stockholders, by report of 1840, as "transported across the state."	No. of tons reported to the stockholders, by the re- port of 1842, for 1840 and 1841, as "passing through in those years."	No. of tons reported to the stockholders, by re- port of 1843, for the year 1842, as "carried over the railroad" in 1842.	No. of tons reported to the stockholders, by the re- port of 1844, for the year 1843, as "carried between New York and Philadel- phia" in the year 1843.	No. of tons reported to the stockholders, by the re- port of 1848, containing a general statement for the previous eight years, viz: from 1840 to 1847, inclu- sive, as "through mer- chandise."	No. of tons reported to the stockholders, by the re- port of 1848, containing a general statement for the previous eight years, viz: from 1840 to 1847, inclu- sive, as way transporta- tion.
1833	6,043	6,043					
1834	8,397	8,397					
1835	10,810	10,811					
1836	12,507	12,508					
1837	10,641	10,642					
1838	11,765	11,765					
1839	13,510	13,520					
1840	11,425		11,207			11,325	3,356
1841	14,652		14,579	14,226	25,508	14,652	3,565
1842	14,226					13,200	4,130
1843	21,027					19,511	4,152
1844	25,678					24,902	6,506
1845	27,509					25,372	7,445
1846	29,912					26,628	13,276
1847	43,334					36,707	16,981
1848	37,673						17 2 7

It appears, by the above table, that the number of tons of merchandise returned to the state for transit duty, from 1832-3 to 1839, inclusive, corresponds so nearly with the report made by the directors to the stockholders in 1840, for the same period of time, that no comment or explanation is necessary. The difference of ten tons, in 1839, we believe to be a clerical error.

The table also shows that the return to the state for the year 1840, the report of 1842, and the report of 1848, for the same year 1840, all disagree in amount. These discrepancies may be readily explained. It must be recollected that the returns to the state are always made for the civil year.

The report of 1842, for 1840, we found was for the former fiscal year of the companies, that is, from December 1st, 1839, to December 1st, 1840. In December 1840, 217 tons, 15 cwt. 1 qr. 26 lbs. more were carried than in December 1839. This difference, added to the report of 1842, for the year 1840, will make it correspond, within a few pounds, with the return to the state. The report of 1848, which was adapted to the civil year, differs from the return to the state for 1840, to the amount of 100 tons. This is an error in addition. Thus both of those reports do in reality agree with each other, and with the return to the state.

The difference between the return to the state, for the year 1841, and the report of 1842, for the same year, is also owing to the fact, that the one is for the civil, and the other for the fiscal year. The report of 1848, for 1841, agrees with the return to the state.

The return to the state, and the report of 1843 to the stockholders for 1842, it will be seen, agree; and they both include 25 tons, 18 cwt. 3 qrs. 13 lbs. of way merchandise in the last quarter of 1842, which was not included in the supplemental return of way merchandise under the resolution of 1842, before spoken of.

Tons, cwt. qrs. lbs.

In the report of 1848, the through merchandise for 1842 is put down at
If we add to that this dutiable way

13,200 17 0 19

freight for 1842, not included in the
said supplemental return, of

25 18 3 13

We have

13,226 16 0 4

precisely one thousand tons less than were returned to the state, or reported to the stockholders, in the report of 1843. The way freight for 1842, reported to the stockholders in the report of 1848, corresponds exactly with the amount ascertained by us, as appears in table 3. This difference of 1000 tons of through merchandise is an error, discovered at once upon comparing the general statement book (which was used as the basis of the report of 1848) with the general abstract book. This general statement book was made up from the abstract book, and this deficiency of 1000 tons appears at once by comparing the books together. The amount of the statement book is 1000 tons less than in the abstract book. The books of the company show that the return made to the state is correct, and the freight money charged in the books requires that number of tons.

The variance between the return and the reports for 1843 is considerable, and worthy of notice. By table 3, it will be seen that in the year 1843, 20,123 tons, 14 cwt. 3 qrs. 21 lbs. of through, and 1024 tons, 5 cwt. 0 qr. 11 lbs. of dutiable way freight were transported over the railroad. This is the result of careful examination of the books and papers of the company, and we feel satisfied of its truth and correctness. Receipts for transportation, to an amount corresponding with this amount of tonnage, according to the rates then charged, are entered and accounted for in the books. In the report of 1844, made for 1843, (as per table above) the amount of merchandise "carried between New York and Philadelphia" in 1843, is put down at 25,508 tons. We cannot tell how this report was made up, nor upon what data it is founded. It certainly is not sustained by the books, nor by the facts, as we ascertained them.

The whole amount of freight of every kind carried over the road in 1843, is 24,576 tons, 1 cwt. 0 qr. 20 lbs., according to our investigation, almost 1000 tons less than reported in 1844, as carried between New York and Philadelphia.

That the report of 1844 is erroneous, is perfectly manifest. How the error originated, we cannot tell; the fair presumption is, that it rests with the clerk who copied from the books the materials of the report. So large an additional amount of through freight could not have been carried in that year, nor in any year, without some existing evidence of the fact: no such evidence can be found. The transportation agents testified that the original way bills and books examined by us exhibited the whole business from year to year. The report of 1844 is directly at variance with those records.

In the report of 1848, the "through merchandise" for 1843, is put down at 19,511 tons, 17 cwt. 0 qr. 2 lbs., and the way at 4152 tons, 6 cwt. 0 qr. 27 lbs.; that is to say, the way merchandise just 100 tons more, and the through 611 tons, 17 cwt. 3 qrs. 19 lbs. less, than we find to be correct.

The through merchandise for 1843, as reported by us, includes 120 tons, 17 cwt. 3 qrs. 20 lbs., not contained in the regular returns to the state for 1843, nor carried into the general statement book, and therefore not included in the report of 1848. Again, we found that this report was less, by 500 tons of through freight, for 1843, than appeared in the general statement and abstract books; and further, the through merchandise for March, 1843, entered in abstract book at 1267 tons, 16 cwt. 3 qrs. 13 lbs., was copied into the statement book as 1276 tons, 16 cwt. 3 qrs. 13 lbs. With these corrections, the report of 1848 for 1843, of "through merchandise" will be found to correspond with the amount ascertained by us. The difference of 100 tons, in the way freight above mentioned, is probably an error in addition or of the printer.

	Tons, cwt. qrs. lbs.
In the report of 1848 for 1844, the	
"through merchandise" is put down	
at	24,902 11 2 15
If we add to this the dutiable way for	
that year, as appears by table 3,	772 12 1 20
	<hr/>
We have	25,675 4 0 7

agreeing with the amount returned to the state within three tons. In the same report, the whole of the way freight for the year 1844 is put down 896 tons, 1 cwt. 1 qr. 7 lbs. more than appears to have been carried. This is an error in the report of 1848, as appears by the books.

	Tons, cwt. qrs. lbs.
By the same report, for the year 1845,	
the "through" is given at	25,372 16 1 15
Add dutiable way,	2,136 6 0 24
	<hr/>
And we have	27,509 2 2 11
within a fraction of the return.	

By the report, the way freight for 1845 is stated at 43 tons, 19 cwt. 2 qrs. 24 lbs. more than was carried.

	Tons, cwt. qrs. lbs.
For the year 1846, the same report	
gives the "through merchandise" at	26,628 10 1 18
Add dutiable way returned,	3,284 2 3 4
	<hr/>
And we have	29,912 13 0 12
corresponding with the return for the year.	

	Tons, cwt. qrs. lbs.
For the year 1847, the report gives the	
"through merchandise" at	36,707 4 3 26
Add dutiable way returned for the year,	6,637 14 3 14
	<hr/>
Whole amount returned,	43,334 19 3 12

CANAL.

Officers of the Delaware and Raritan Canal Company.

The officers of the Delaware and Raritan Canal Company are Robert F. Stockton, President, John R. Thomson, Secretary, James Neilson, Treasurer, and Ashbel Welch, Engineer.

The Company also has toll collectors at Lambertville, Trenton, Princeton, Kingston, Rocky Hill and Bound Brook, Princeton being the principal office. They also have officers at the terminations of the Canal at Bordentown and New Brunswick, who may be called harbor-masters. There were formerly collectors stationed at Bordentown and New Brunswick, but they were discontinued in 1835.

Method of transacting Business on the Delaware and Raritan Canal.

The method of transacting the business of transporting passengers and merchandize on the Canal, and of receiving and accounting for the tolls, is as follows :

Previous to the opening of the navigation on the Canal, in 1834, the Company established a tariff or list of rates of tolls, and other charges, to be paid for articles transported on the Canal,

and a code of regulations to be observed by the masters of vessels navigating the same, a printed copy of which was furnished to each collector, and which undergo revision from time to time by the Board of Directors.

When a boat or vessel arrived at one of the entrances of the Canal, prior to the 6th of July, 1846, she was permitted to enter the Canal, and pass to the collector's office at Princeton, without any registry being made of her entrance, but could not pass out of the Canal, unless she produced and delivered to the lock-keeper, at the outlet lock, a clearance from some collector. Since July 6th, 1846, when a vessel enters the Canal at Bordentown, the harbor-master at that place examines the vessel, with her cargo, and her manifest, and ascertains her tonnage or capacity, and the number of tons and kind of cargo she has on board, by a rough estimate, and registers in a book kept by him, the date of her entrance, name of vessel and master, tonnage, cargo in general terms, places of departure and destination; the vessel may then pass to the collector's office, at Princeton, where the master is required by the law of the state before mentioned, to produce to the collector a true manifest, or bill of lading, of his cargo; the correctness of which is enforced by the provisions of said law. The collector then examines the manifest, vessel and cargo, and if he thinks it advisable, takes the oath or affirmation of the master to the correctness of the manifest, and ascertains from his list of tolls, the tolls and other charges on the cargo, and on the passengers, if any, receives the same, and gives the master a clearance for his vessel, showing the weight and kind of cargo, and the amount of tolls and charges received thereon, which, when delivered to the harbor-master or lock-tender, at the terminations of the Canal, authorizes him to permit the vessel to leave the Canal: the harbor-master at Bordentown making the same kind of registry of the departure of the vessels from the Canal that he did, as before described, at their entrance; but no such registry of the entrance or exit of vessels is kept either at New Brunswick or Lambertville. If a vessel enters the Canal, whose destination does not require her to pass the Princeton office, she pays her tolls and receives her clearance at the first collector's office she passes; and if her destination does not re-

quire her to pass any collector's office, she is required to visit one, or the collector must visit her, and ascertain and receive her tolls, and give her a clearance in the same manner, before she can leave the Canal. The tolls on all vessels which pass the Princeton office are required to be paid there. The collectors are authorized to unload any vessel, and weigh the cargo, for the purpose of testing the truth of the manifest, if they think there is sufficient cause. When the collector receives the tolls, he is required to ascertain the actual weight of the cargo which is to be carried through the Canal, discriminating between that called superior merchandize, on which the Company is required to pay eight cents per ton transit duty to the state, and that called inferior merchandize, on which the Company is required to pay a transit duty of two cents per ton to the state, and to enter in a book kept by him, the date of the arrival of the vessel at his office, her name, from what place on the Canal she has departed, and where destined, the kind of cargo on board, the number of tons of superior and inferior merchandize, the amount of way toll, if any, the amount of through toll, and the total amount of toll.

The duties of the other collectors are the same as those of the collector at Princeton, before described, excepting that they are confined exclusively to the receipt of tolls, and other charges on merchandize, which is carried in vessels that do not pass through the whole length of the Canal.

The other charges before mentioned to be received with the tolls, are certain charges called lockage and miléage.

Transient vessels, carrying over thirty tons of cargo, pay four cents for each mile traveled on the Canal, and four cents for passing each lock, making two dollars and twenty-eight cents for the whole length of the Canal, besides the tolls on the cargo; and vessels carrying less than thirty tons of cargo, twelve and a half cents per mile, exclusive of the tolls on the cargo; and vessels of less than thirty tons burthen, which go one way by sea, and return through the Canal, pay twelve and a half cents per mile, exclusive of cargo; and for each additional ton above thirty, one half a cent per mile, exclusive of cargo. Coal vessels going in one direction loaded, are exempt from the charge of miléage, and are permitted to return empty, free from all charges. Way ves-

sels on Feeder pay one dollar for passing the outlet lock at Lambertville. The clearances delivered by the masters of vessels to the harbor-master or lock-tender at the outlet of the Canal, are retained by him until the end of each month, when they are delivered or forwarded to the treasurer of the Company, or the officer whose duty it may be to examine the accounts of the collectors, who compares the clearances with the collector's books, and corrects the latter by the clearances, if they are found incorrect. The collector then accounts to the treasurer for the amount of tolls received in the previous month, and the clearances are delivered to the collector. The collector at Princeton usually deposits the moneys received for tolls in the Princeton Bank, as they are received, to his own credit, and at the monthly settlement transfers them to the credit of the treasurer of the Canal Company.

At the monthly settlement, the collector at Princeton also makes a return to the treasurer of the Canal Company, of the number of tons of superior, and of inferior merchandize, transported through the Canal for the preceding calendar month, from which returns the treasurer makes up his quarterly returns to the State Treasurer, on which transit duties are paid to the state.

The Canal Company had, for a short time, an agent at Fairmount, on the Schuylkill river, who received the tolls on the coal that passed that place bound to any point on the Delaware and Raritan Canal; and accounted to the collector at Princeton, who entered the amount of tolls and tonnage on his book, previous to his monthly settlement, when they were accounted for in the same manner as if the tolls had been received at the Princeton office.

The foregoing is the regular method of transacting the business of transporting merchandize and passengers, and receiving tolls on the Canal, and at the opening of navigation, was the only mode; but soon after that time the Canal Company adopted a system of making special contracts with the owners of different transportation lines, and with individuals, by which they agreed to receive, in some cases, a less amount of tolls than that fixed by the regular tariff of tolls, and in other cases, a certain per centage on the amount of money charged by the owners of the trans-

portation lines, for carrying merchandize through the whole extent of those lines; and also, of making discriminations in the toll to be paid by the same persons, on similar articles, when carried to different places beyond the extremities of the Canal.

This system has continued from its adoption in 1836 to the present time; and has confined the transportation of superior merchandize, almost exclusively, to the vessels of the persons having special contracts; and has, also, led to great uncertainty and error in determining the tonnage on which transit duties are paid to the state.

Special Contracts and Arrangements for the Payment of Tolls.

The principal special contracts and arrangements made by the Joint Companies for the transportation of merchandize through the Canal, and the receipts of tolls thereon, are the following:

First—The contract made September 1st, 1836, with the owners of a transportation line, then running between New York and Philadelphia through the Canal, called the Merchants' Line, owned, prior to 1841, by the New Brunswick Steamboat and Canal Transportation Company, in connection, at different times, with C. & F. King & Co., Philadelphia, Miller & Bancker, George McHenry & Co., and James Schott & Co., in New York, and after November 1, 1841, entirely by the New Brunswick Steamboat and Canal Transportation Company.

And also, the arrangement made with the owners of the said Merchants' Line, in 1838, for the establishment of another transportation line through the Canal, between New York and Philadelphia, called the Swiftsure Line.

Both of these lines have continued to run through the Canal from the date of the arrangement until the close of navigation, in 1849.

By the terms of said contract, the owners of said lines paid the Canal Company for the years 1836 and 1837, twenty-five per cent. on the whole amount of money charged by them for carrying goods over the whole distance between New York and Philadelphia, instead of the regular tolls and charges fixed by the tariff of tolls; after the year 1837, the owners of said lines paid

the Canal Company twenty-five per cent. on all moneys charged by them, for carrying goods the whole or any part of the distance between those cities, instead of the regular tolls and charges aforesaid.

The owners of said lines established a line through the Canal, between Philadelphia and Albany, in 1838, called the Albany Union Line, which only dispatched a few vessels, on the cargoes of which they appear to have paid the regular tolls. They also sent a few vessels from Philadelphia to Albany and back, in 1844, and paid one-sixth of the freight charged by them for transporting the goods, instead of the regular tolls and charges; and in 1846, they sent a large quantity of iron from the Delaware river to Bridgeport, Connecticut, and to Hudson, New York, and paid one-fourth, or twenty-five per cent. of the freight charged thereon, instead of the regular tolls.

The New Brunswick Steamboat and Canal Transportation Company, also, employed about twelve barges in the transportation of coal through the Canal, from 1835 to 1846, inclusive, and paid the regular rates of toll.

The Merchants' and Swiftsure Lines usually employed from eighteen to twenty-four barges in the transportation of merchandize, and frequently chartered others.

Second—The contract between the Joint Companies and George W. Aspinwall, of Philadelphia, for himself and his associates, made in January, 1845, for the establishment of a transportation line through the Canal, between Philadelphia and Albany and Troy, called the Iron Steam Packet Line; said contract was made in writing, and was to continue for seven years. By its terms, the owners of the line were required to pay to the Canal Company ten per cent. on the amount of the freight bona fide charged on all merchandize, and seven and a half per cent. on the freight charged on all coal transported by them, instead of the regular tolls and charges. The owners of the line were restrained by their contract from carrying any thing, except coal, between Philadelphia and New York, for other persons, but were permitted to carry salt, grain, meal and flour, which they might own or purchase, between those cities, by paying twelve and a half per cent. on the freight charged by the New Brunswick

Company, on the same kind of articles, instead of the regular tolls and charges. Coal carried by said line to New York, was charged the regular tolls. Mr. Aspinwall, who was examined before us, as a witness, testified that said line was intended to supersede an imperfect line that was running between Philadelphia and Albany, belonging to the New Brunswick Company; and that no person was interested in said line, who was interested in the Joint Companies. The Joint Companies precluded themselves, by the contract, from making any special agreement with any other company or individual, for running a line of propeller steamboats, or barges, between Philadelphia and any point north of Manhattan Island, during the existence of said contract; said line was limited by the contract to ten steamers. Mr. Aspinwall had been engaged previously to the date of the contract, in running a line of steamers by sea, between New York and Philadelphia, which was discontinued on the establishment of the line through the Canal. He and his associates established their Canal line in the spring of 1845, and continued to run it successfully, as he states, until early in the season of 1848. In the spring of that year, the Commercial Transportation Company, incorporated by the legislature of New Jersey, early in 1848, for the express purpose, commenced running a line of barges through the Canal, between Philadelphia and Albany and Troy, which was found or believed, by Mr. Aspinwall and his associates, to compete injuriously with the business of their line. The proprietors of the Commercial Line claimed from the Joint Companies a special agreement in their favor, to enable them to compete with Mr. Aspinwall and his associates, who insisted on their part, that they should be protected from competition, according to their contract; after several interviews between the parties interested, Mr. Aspinwall and his associates proposed that if the Joint Companies would pay them, annually, with interest for the remaining four years the contract continued, a sum of money equal to the difference between the amount they had paid the Canal Company instead of tolls, in 1847, and the amount that would have accrued on the merchandize transported by them in that year, according to the regular tariff of tolls, they would rescind their contract. Their proposition was accepted, and the Joint

Companies agreed to pay them seven thousand two hundred and ninety-five dollars and forty-two cents annually, for four years, with interest from the 1st of May, 1848, and they then rescinded the contract, discontinued their line, and according to a previous arrangement, sold most of their vessels to the Commercial Transportation Company, and became interested in their business early in the year 1848.

Third—The contract made in 1848, with the Commercial Transportation Company, for the establishment of a line through the Canal, between Philadelphia and Albany and Troy. By said contract, the owners of that line were required to pay the Canal Company, instead of the regular tolls, twenty-five per cent. on the freight charged by them for transporting all articles not specifically enumerated in the tariff of tolls; for all enumerated articles they were required to pay the regular tolls. The contract with the owners of this line was to continue during the pleasure of the directors of the Joint Companies.

A new contract was made in 1849, more favorable to the owners of the line. They now pay fifteen per cent. on the freights on merchandize, and ten per cent. on the freights on coal charged by them, instead of the regular tolls and charges.

Fourth—The contract made in 1844, with Richard F. Loper, of Philadelphia, and M. W. Chapin & Company, of Hartford, Connecticut, for running a line through the Canal, between Philadelphia and Hartford. The owners of this line paid ten per cent. on the amount of freights charged by them on merchandize, and five per cent. on the freight charged on coal, instead of tolls. This line has only employed a few vessels and is still running.

Fifth—A transportation line was established in 1847, by Shriver & Company, of Baltimore, under a special contract, made between them and the Chésapeake and Delaware, and the Delaware and Raritan Canal Companies, running through the Canals of those Companies, between Baltimore and New York. The owners of this line paid fifteen per cent. of the freights charged by them, instead of tolls to both Canal Companies; of which, the former Canal Company received four-tenths, and the latter six-tenths. This line was only continued for a few months, and employed about three vessels. Another line has

been running through the Canals during the summer of 1849, between Baltimore and New York, owned by Shriver & Company, of Baltimore, and William H. Thompson, of New York, paying the same proportions of the freight charged by them, to each of the Canal Companies, as were paid by the line last mentioned.

Sixth—A transportation line, belonging to Abel, Wilson and Company, of Easton, Pennsylvania, has been running through the Canal for several years prior to 1849, between that place and New Brunswick, under a special contract, requiring the payment of one half of the regular tolls and charges monthly. When the boats of this line passed the Princeton office, the collector entered the weight of the cargo, and charged himself with the full amount of the tolls and charges, according to the regular rates; and at the end of the month, when his account is settled with the treasurer of the Canal Company, he is credited with a deduction of one half of the amount charged. The contract with the owners of this line ended in 1848; they now pay the regular tolls.

Seventh—By a resolution of the executive committee of the Joint Board of Directors, passed November 9th, 1841, Captain Robert F. Stockton was authorized to employ not exceeding four barges, in carrying coal through the Canal to Albany, and places east of New York, free from tolls for three years; and after three years, at one half of the tolls charged to other persons; and if those barges were employed in carrying other articles, the rates charged to other persons were to be charged; Captain Stockton, in all cases, paying the transit duties to the state. If the barges were employed in carrying coal to New York, they were to be placed on the most favored footing.

Four iron steam propellers were employed under this contract, in 1842 and 1843, when the business was discontinued.

The object of the executive committee in making this arrangement, appears to have been the introduction of the use of coal, carried through the Canal, at distant places, where but little or none had been previously used, and thereby to increase the trade through the Canal.

The above named are the only special contracts that required notice, in connection with the mode of transacting the business of transportation on the Canal.

Discriminations on the Tolls charged on articles carried through the Canal to different places.

The regular toll on coal carried through the main Canal, is thirty cents per ton, and if carried from the outlet lock at Lambertville, through the Feeder and main Canal, to New Brunswick, thirty-five cents per ton; but if carried on either of these routes to Newark, Lodi, Ramapo, or any point north of Manhattan Island, or east of Hurl Gate, a deduction of ten cents per ton is made from those rates. Articles not enumerated in the tariff of tolls transported in transient vessels, pay four cents per ton per mile, if carried through the Canal, destined to any point excepting Easton, Pennsylvania; but if destined to that place, or shipped or landed at any point on the Canal, they pay one cent per ton per mile.

The special contracts made with the owners of the transportation lines, operate to some extent as discrimination in the tolls on the same kind of merchandize, when bound to different places beyond the extremities of the Canal.

The deductions which are made from the regular rates of toll, in some cases, are made previous to the entry of the cargo on the collector's book; in other cases, the regular tolls are charged, and the deductions made at the end of the month.

Deductions from the regular rates of toll are sometimes made to large transporters of coal; none of which require special notice, in connection with this branch of the subject.

Method of ascertaining the Tolls to be paid and the Tonnage carried by the Transportation Lines.

This subject, with reference to the Easton Line, has already been disposed of.

The agents of the Iron Steam Packet Line of Mr. Aspinwall and his associates were required, by their contract, to send to the collector at Princeton, a certified copy of the freight-list of each vessel, from which the collector, at the end of the month, made

up and entered in his book, the tolls to be paid by the line for the month, and, at his settlement with the treasurer of the Canal Company, drew on the agents of the line for the amount. The agents of this line kept full and accurate manifest books, containing a detailed account of their business.

The agents of all the other transportation lines were required to keep regular manifest books, and on a certain day after the close of each month, they produced the books, and a statement of the business done by them the previous month, to the executive committee of the joint board, when the sum to be paid to the Canal Company for tolls was ascertained, and the collector at Princeton informed of the amount, which he enters on his book, and at his settlement with the treasurer, draws on the agents of the line in his favor for the money.

The agents of the transportation lines, (excepting the Iron Steam Packet Line of Mr. Aspinwall and his associates,) were required to forward by each vessel a toll-list or manifest, containing a description of her cargo. By this toll-list, and by inspection, the collector estimated the weight, and ascertained the description of the cargo; these estimates were made with some apparent care, and entered in detail, as the vessels passed, until about the year 1840. Soon after that period, the collector commenced the practice of entering the weight of the cargoes in gross, without giving any enumeration of the articles; and still later, the practice of entering at the close of the month, all the vessels that had passed during the month, belonging to some lines, and of entering the quantity of superior and inferior merchandize carried by other lines the previous month, without stating the names or number of the vessels that carried it.

The Joint Companies, in making their contracts with the owners of transportation lines, have never, as far as we can discover, required them to enter in the manifest books the weight of the merchandize forwarded; nor have they, until lately, required a proper degree of care in making out the toll-lists sent to the collector, to enable him to judge correctly of the weight or kind of cargo on board, or to ascertain whether it was subject to transit duty or not; some of those papers only contained one entry, of a round number of tons of merchandize, without speci-

fyng whether it was superior or inferior, or whether it was to pass across the state or not; and others contained an enumeration of a few leading articles of the cargo, without specifying any weight whatever. The freight-lists sent by the Iron Steam Packet Line were only required to contain an account of money charged for freight, and only did contain the weights of the coal, and other articles carried by the ton, and a very general enumeration of the other articles, without giving their weights.

Towing on the Canal.

The animal power required for towing vessels navigating the Canal, is furnished by an individual, who conducts the business on his own account, at rates of charge under the control of the directors of the Companies. The owner of a vessel may employ his own animals in towing, but is not allowed to employ those of any person not authorized by the Company to furnish them.

The Books of Account of the Company, and manner of keeping them, and the manner of receiving and disbursing the funds of the Company.

The secretary of the Canal Company keeps a day book, ledger and general abstract book. The day book contains the current entries of the disbursements for every purpose whatever, charged to the proper account and credited to the treasurer. The ledger contains an account for each kind of disbursement, to which the several accounts are carried from the day book. A general account called "Delaware and Raritan Canal," shows all the disbursements for construction, and an account with the treasurer, showing all the payments made by him, excepting those for dividends.

The general abstract book of the secretary shows the whole current income of the Company, from tolls, and all other sources, specifying the amount received monthly, at each collector's office. The several amounts added together for each six months, and also the current disbursements, arranged under several heads for each month, and added for every six months.

The treasurer keeps a ledger or cash book, in which he charges himself on one side with all the moneys of the Company that he receives from all sources, and credits himself with all payments for disbursements, and for the payments made to the treasurer of the Railroad Company, who pays the dividends to the stockholders of the Joint Companies, as already mentioned, on account of dividends. The treasurer also keeps a general abstract book of the tolls received at each collector's office monthly, and the number of tons of superior and inferior merchandize transported across the state.

The books containing the accounts of the receipts and disbursements of the Canal Company are simple and intelligible in their character, and appear to be kept with care and general accuracy.

Having stated such preliminary matters relating to this branch of the subject as we deemed important, we shall proceed to give the details and results of our investigation of the third and eighth charges, which relate particularly to the transportation on the Canal, and therefore may be considered together.

THIRD CHARGE.

The third charge is "That the quantity of freight carried on the Canal has been far greater than has been reported for transit duty."

EIGHTH CHARGE.

The eighth charge is "That the quantity of freight passing on the Canal has so greatly exceeded that reported to the stockholders that a large portion of it has paid neither freight, nor toll, nor transit duty."

We commenced our investigation of the above charges by a comparison between the abstract book kept by the treasurer of the Company, and the monthly returns made to him by all the toll collectors, from the commencement of navigation on the Canal, in 1834, to the first of January, 1849, and found that the tolls received by the collectors, and the amount of merchandize entered on their books, during the period aforesaid, as "merchandize

crossing the state," had been returned to the treasurer, and entered on his abstract book.

We then compared the treasurer's abstract book with the returns made to the State Treasurer, for transit duty, and found that all the merchandize entered on the collector's books as subject to transit duty, during the period aforesaid, had been returned to the State Treasurer, with the exception of nineteen thousand tons of inferior merchandize, transported in the quarter ending June 30, 1841.

	Tons.	cwt.	qr.	lb.
The quantity of inferior merchandize transported, according to the collector's book, being	29,297	2	1	7
And the quantity returned being	10,297	2	1	7
	<hr/>	<hr/>	<hr/>	<hr/>
Deficiency in the return,	19,000	0	0	0

This deficiency was evidently caused by an error in addition, made by John B. Hill, Esq., of New Brunswick, who acted as clerk to the treasurer of the Canal Company at the time, and made the addition which caused the error, as he testified on his examination before us as a witness.

We then compared the abstract book of the treasurer with his cash book or ledger, and found that he had charged himself with all the moneys that had been received for tolls on the Canal, according to the different collector's returns, during the same period of time.

We then proceeded to ascertain whether all the vessels navigating the Canal, had been duly entered on the collector's books, and for that purpose compared the clearances delivered up by masters of vessels navigating the Canal to the lock-tenders and harbor-masters at the outlets, for the year 1848, with the books of the collector at Princeton, and soon found a number of omissions of the proper entries in the books, and concluded that no satisfactory result could be reached by that process.

We then commenced a very careful comparison between the register of the arrival and departure of vessels, kept at the outlet lock at Bordentown, since July 6, 1846, by the harbor-master at

that place, and the books of the collector at Princeton; from this we soon discovered that during the time a registry had been kept, the transit of a large number of vessels belonging to the transportation lines, which had passed through the Canal, had not been entered in the books of the collector at Princeton; and that consequently, no entry had been made from which a return of the weights of their cargoes could be made to the State Treasurer. We then requested the executive committee to procure for our inspection, the manifest books of those lines, in order that we might extend our examination through the period prior to the commencement of the registry at Bordentown.

The members of the committee expressed their willingness to furnish us with such of the documents required as they could procure, and soon after placed before us the manifest books of the Merchants' and Swiftsure Lines.

By a strict comparison between them and the collector's books it appeared that prior to the year 1840, the entries of the business transacted by these lines had been made with regularity, and the estimates of weights made by the collector, as far as we could judge, were tolerably accurate.

We found that in 1840, the weights of a few cargoes carried by these lines, had not been entered in the collector's books, and that omissions continued to increase until the close of 1846, when they began to diminish until the close of 1848, when our examination ceased.

The number of omissions was found to be very large in some years, being four hundred and thirty-one trips of the vessels of the Merchants' and Swiftsure Lines alone, in the year 1846.

It may be well to remark that the omissions here adverted to, are omissions to enter the tonnage carried by those vessels. The moneys due to the Canal Company for tolls, from these and all the other transportation lines, having been, as far as we could discover, duly entered on the books of the collector at Princeton, and accounted for to the treasurer of the Canal Company.

The manifest books of these lines contained full entries of the number of parcels of merchandize forwarded by each person, the name of the shipper and consignee, and the freight charged; but the weights of the parcels were often omitted, and the description

of the merchandize transported was too general and indefinite to afford any basis for a correct estimate of its weight.

After ascertaining the number of omissions, the nature of the entries in the manifest books, and of the toll-lists sent by the transportation lines to the collector, and the manner in which the estimates of the weights of merchandize were made by him, it appeared to us that the tonnage of the cargoes omitted must be found by some other evidence than that afforded by the books. The estimates made by the collector for the cargoes entered, also appeared to be uncertain and unsatisfactory.

The errors and omissions by which the interest of the state had suffered, appearing to have resulted either from the faults of the system adopted by the Companies for ascertaining the tonnage, or from the carelessness of their officers in carrying it into effect, we thought it proper that the correction of the errors should be made at as little expense to the state as possible, and therefore, proposed to the executive committee that they should have a statement prepared by persons of experience in the business, of all the cargoes of vessels belonging to the different transportation lines not entered in the collector's books, from 1840 to 1848, inclusive, with the best evidence they could procure of the weight of their cargoes; and, likewise, that some estimate should be made of the weight of the cargoes entered on the books more satisfactory than that made by the collector, and exhibit the same to us, together with the evidence on which they were founded, when we should again meet, after a recess we proposed to take in July last.

We made the requisition on the executive committee, also, because it was manifest that this would be a work of great labor, and would require more time than we could devote to one branch of the investigation.

The executive committee agreed to have the statements and estimates required made by competent and experienced persons, and to produce them when we should again meet as proposed.

After we again met, in September last, the executive committee laid before us a statement showing the number of trips made by vessels of the Merchants' and Swiftsure Lines only, which had been entered in the collector's books, as well as those omitted,

and an estimate of the weight of all the merchandize transported by those lines from 1840 to 1848, inclusive, prepared by J. Gilbert Sweet, Samuel Thompson, Abiel Abbot, Archimedes Heckman and William H. Loper, who had all been employed by the agents of the Merchants' and the Swiftsure Lines as clerks. By this statement, which corresponded with our examination, it appeared that ten hundred and ninety-one single trips, made by the vessels of those lines, had not been entered by their names and dates of arrival at the collector's office, during the nine years aforesaid; seventy-two of which, with the collector's estimate of the weight of their cargoes, had been entered in gross, without names or dates, in the year 1847, leaving ten hundred and nineteen single trips not entered on the collector's books.

The number of omissions in each of the nine years is as follows :

<i>Year.</i>		<i>Number of Trips.</i>
1840,	omitted,	4
1841,	"	11
1842,	"	11
1843,	"	14
1844,	"	142
1845,	"	300
1846,	"	431
1847,	"	151
1848,	"	27
		<hr/>
		1091
Deduct seventy-two, entered in gross in 1847,		72
		<hr/>
Balance not entered,		1019 trips.
		<hr/>

In March, 1847, a supplementary entry was made in the collector's book, and a corresponding return to the State Treasurer, of eleven thousand and seventy tons of superior merchandize transported by these lines in 1846, without any entry of the number of vessels that carried it. This, of course, required a part of the vessels omitted for its transportation.

Four of the persons who made the estimates of weight of

merchandize, which accompanied the statement referred to, were examined by us as witnesses, and testified as to the manner in which they were made.

They estimated the weight of about ten cargoes, selected by a fixed rule, carried through the Canal in each direction, for every month during the nine years examined. Taking all weights entered in the manifest, and the known weight of the article or package (among merchants) where any such weight was known, and estimating the weights of all other articles, by comparing the price charged with the known rates of charge for one hundred pounds, at the time the articles were carried, or by their recollection of the weights of packages generally forwarded by the shippers.

The estimates were made very much in detail, giving the name of each barge dispatched from the offices, the date of sailing, the amount of freight charged on her cargo, the number of tons entered by the collector, the number of barges not entered, and the weight of each parcel of the cargoes which were estimated. The persons who made the estimates all testified that they were made fairly, according to their judgment. Mr. Sweet who appeared to have given the most attention to the matter, testified that he believed he could estimate within an average of eight tons of the true weight of a cargo, by taking a large number together.

By the proportion between the freight charged on the cargoes estimated, and the weights thus ascertained, the whole estimated amount of merchandize carried by those lines, during the nine years aforesaid, was found to be three hundred and eighty-nine thousand nine hundred and fifty-five tons; and the amount entered in the collector's books during the same period, three hundred and seventy thousand five hundred and eighteen tons, leaving a deficiency of nineteen thousand four hundred and thirty-seven tons.

It appears besides, by the statements, that three thousand six hundred and twenty-three tons of iron, and one thousand five hundred and thirty-two tons of coal, carried by these lines in 1846 and 1848, were not entered on the collector's book; and that therefore the whole deficiency in the return of merchandize transported by them during said period, is twenty-two thousand

eight hundred and sixty-six tons of superior, and one thousand five hundred and thirty-two tons of inferior merchandize, according to the estimate.

The estimates were found to differ materially from those made by the collector, exceeding his estimates in some cases, but more frequently falling greatly below them.

By taking the omitted barges by themselves, and dividing the whole amount of freight charged on the cargoes by the average price charged per ton for transporting merchandize for each of the nine years, as determined by said estimates, we found that the estimated weight of the cargoes of the omitted vessels for each of the nine years, was as follows :

<i>Year.</i>	<i>No. of vessels omitted.</i>	<i>Weight of cargo.</i>
1840,	4,	321 tons.
1841,	11,	1,006 "
1842,	11,	1,018 "
1843,	14,	1,148 "
1844,	142,	11,313 "
1845,	300,	27,082 "
1846,	431,	36,862 "
1847,	151,	13,047 "
1848,	27,	2,254 "
	<hr/> 1,091,	<hr/> 94,051 "

From which deduct the amount entered for the cargoes of the seventy-two vessels entered in gross in 1847, 6,716 tons.

And the number of tons returned in the supplementary return for 1846, 11,070 "

17,786 "

76,265 "

Add three thousand six hundred and twenty-three tons of iron, not returned and not included in estimates, 3,623 "

Total amount of superior merchandize carried by the omitted vessels, according to the estimate, 79,888 "

The amount of coal carried, 8,739 tons.
 " " " " returned, 7,207 "

Balance of coal carried by those lines, not returned, 1,532 "

Two of the clerks who made the estimates, testified that a large quantity of inferior merchandize had been transported by the lines, within the period aforesaid, most of which was entered in the collector's books as superior, which fact we also discovered by inspection of the manifests and collector's books. After examining the statements and estimates presented to us, we heard the testimony of the persons who made them, and of the collector at Princeton, and procured such further information on this subject as was within our reach.

We soon after received the following communication from the executive committee, stating their views in laying the estimates before us :

To the Committee of Investigation :

GENTLEMEN :—We lay before you the results of the detailed and laborious examination of the bills of lading of the Merchants' and Swiftsure Lines, from 1840 to 1848, inclusive, which we have caused to be made for the purpose of ascertaining what number of barges have been omitted by the collector in his returns to the treasurer of the Canal Company, and whether his returns of those not omitted by him, corresponded with the actual amount of merchandize on board.

In this work we have had the assistance of the most experienced clerks belonging to those lines, and may therefore presume that the results arrived at bear a very close approximation to the truth. We find the number of barges omitted by the collector quite large; and on the other hand, we find that his returns have, in general, exceeded the actual amount of cargo. The whole number of tons transported, as the estimates show, during these nine years, have amounted to three hundred and eighty-nine thousand nine hundred and fifty-five tons. The amount returned by the collector in the same time has been three hundred and seventy thousand five hundred and eighteen tons; showing a deficiency of nineteen thousand four hundred and thirty-seven tons. But it is also to be taken into account that the amount returned by the collector has been returned as superior merchandize; and it is well understood that more than twenty thousand tons of the

amount carried by these barges, during the time aforesaid, has been inferior merchandize. So that, in truth, the amount of merchandize returned by the collector, corresponds very nearly in the aggregate, with the actual amount of merchandize carried.

But whilst this is so, the Joint Companies have no desire to set up any off-set for the excess in the collector's returns, against the deficiency arising from his omissions of barges.

The statement is made here for the purpose of showing that, except from the carelessness or misapprehension of subordinate agents and clerks, the returns would really greatly exceed the actual amount of merchandize carried, being about equal to it in the aggregate account of nine years, notwithstanding the large number of barges omitted by the collector in some of those years.

The executive committee were well satisfied, from the general instructions which the collector had received to make his returns liberal, and to lean in favor of the state, that if he had followed out those instructions, his returns must considerably exceed an accurate estimate of the cargoes transported.

But taking the omitted barges by themselves, and estimating the amount of their cargoes, without regard to the excess in the collector's returns of the cargoes of other barges, we find that the tonnage omitted in these lines amounts, during the nine years specified, to seventy-nine thousand eight hundred and eighty-eight tons of superior merchandize, and one thousand five hundred and thirty-two tons of inferior merchandize; the transit duty on which amounts to six thousand four hundred and twenty-one dollars and sixty-eight cents, which the Companies will in due time cheerfully pay, as they will have no hesitation to do with regard to any other sums which, upon a re-statement of any of the accounts, may be found due to the state. The managers of the Companies being conscious of no wilful or fraudulent detention of any moneys accruing to the state, will also be happy to afford, as they have hitherto done, every facility to the Commissioners for ascertaining the correctness or incorrectness of any accounts of the Companies.

On behalf of the executive committee.

JNO. R. THOMSON, *Secretary.*

October 30th, 1849.

By this communication it appears that the committee insist that the entries of tonnage made by the collector, greatly exceed the true weight of the cargoes entered; that the state has been greatly benefitted by the entry of merchandize as superior, which really was inferior, &c.; but express their willingness to make an additional return and payment of transit duties for the cargoes not accounted for, by estimating their weight from the freight charged on them, according to the average rates charged by the ton in the several years in which the omissions occurred, as ascertained by the estimates aforesaid.

Having fully considered the communication of the executive committee, the testimony taken by us, and all the other facts that we had been able to collect relating to this branch of the inquiry, we concluded to adopt the estimate of the omitted merchandize, contained in the said communication, as the nearest approximation we could make to the truth, from the means within our reach, and to report the amount therein stated of seventy-nine thousand eight hundred and eighty-eight tons of superior, and one thousand five hundred and thirty-two tons of inferior merchandize, as the amount transported by the Merchants' and Swiftsure Lines, prior to January 1, 1849, on which transit duties have not been paid to the state.

We are induced to report these amounts, because we cannot discover that any positive or definite knowledge of the weights of the cargoes omitted is in existence; and because the time at our disposal would not enable us to collect from shippers and others, a sufficient number of facts to constitute the basis of a more satisfactory estimate than that submitted to us.

And although our duty requires us to express our confidence in the integrity and general intelligence of the witnesses examined by us, who assisted in making the estimates, it also requires us to express our decided opinion that estimates founded on the mere judgment and recollection of men, however honest and intelligent they may be, should not be received in future as the only evidence of the rights of the state.

The executive committee, in their communication to us, insist that the state has received the full amount of transit duties due her on the merchandize transported by the Merchants' and Swift-

sure Lines ; but they in effect admit at the same time, that she has received them by an accidental balance of errors.

It may be proper to add, while speaking on this branch of the transportation on the Canal, that the clerks employed by the agents of the Merchants' and Swiftsure Lines who were examined by us, testified that the manifests, books and papers, exhibited to us, contained true and full accounts of all the business transacted by those lines through the Canal.

Iron Steam Packet Line.

After completing the foregoing examination, the executive committee, at our request, procured the attendance of George W. Aspinwall, one of the owners of the Iron Steam Packet Line, who was examined by us as a witness, respecting the contract between the owners of the line and the Joint Companies, and the business done by them through the Canal. Mr. Aspinwall freely tendered to us the manifests and other books and papers relating to the affairs of their line, for our inspection.

The entries made by the collector at Princeton, of the merchandize transported by this line, and the tolls received thereon, were, as before stated, generally made in gross, at the end of each month, without specifying the names or number of vessels that had passed. It was therefore impossible to compare particular cargoes with the entry of the collector ; but on examination of the manifests, we found that they contained the actual weights of a large portion of the merchandize, and that large quantities of other articles were transported, the weights of which were well known among merchants, leaving the weights of but a small portion of the cargoes that could not be ascertained from the manifests alone. We then examined the manifests for one month, and found that the weights we could ascertain and compute from them, after rejecting all non-dutiable merchandize, exceeded the amount entered on the collector's book, by several hundred tons, besides a considerable quantity of merchandize, the weight of which was yet to be determined by other evidence than the manifests.

The discovery of this fact obliged us to investigate the collec-

tor's entries of the tonnage transported by this line for the whole period it was running, which was done in the following manner: We entered in two columns the weight of all the merchandize subject to transit duty we could ascertain or compute from the manifests for each month, placing the superior merchandize in one column and the inferior in another, and in another column the amount of freight charged; in a fourth column we entered the freight charged on articles not subject to transit duty.

We then found, by deducting the sum of the two columns of freight from the whole freight charged for the month, the amount of freight charged on the articles of which the weight could not be determined or calculated from the manifests. We had previously been informed by Mr. Aspinwall, what he believed to have been the average price charged per ton for the kind of articles in question, and therefore estimated the weight of that description of merchandize by dividing the amount of freight charged on it by the price per ton named by him, and by adding that amount to the columns of weights before mentioned, found the whole quantity of merchandize transported by the line for the month; and in like manner determined the whole amount transported by the line from March, 1845, to May, 1848, inclusive.

This kind of examination required great labor and the closest attention, as every entry on the manifest must be scrutinized with care to discover whether it was superior or inferior merchandize; whether subject or not subject to transit duty. Besides, the amount of business done by the line was quite large, one hundred and ninety-eight thousand and ten dollars and forty-one cents having been charged for freights while the line was running.

The entries made in the collector's books of merchandize transported by this line, were strikingly below the truth. In one particular month the weights of superior merchandize entered on the manifests, or easily computed from them, by the known weights of the articles, exceeded the amount entered by the collector, two thousand seven hundred and seventy-seven tons, without taking into consideration the weights of the articles not discoverable from the manifests. His entry of inferior merchandize for the same month, exceeding our estimate by one thousand six hundred and fifty-five tons; and the instances were frequent

where the collector's entry of superior merchandize was several hundred tons below the amount transported, without any excess in his entry of inferior merchandize to account for it.

It is, however, but just to say, in palliation of what may appear to have been gross carelessness in the collector, that the toll-lists sent by the owners of this line, although they contained every thing that their contract with the Joint Companies required, generally, only contained the weights of the coal transported, which the collector entered with some degree of correctness. These toll-lists were materially deficient in the information they furnished the collector, in another respect—that is, they did not discriminate between dutiable and non-dutiable merchandize. The large size of the vessels of this line, likewise, rendered it difficult to examine their cargoes sufficiently to estimate their weight.

We have found in the manner before stated, that seventeen thousand six hundred and ninety-six tons of superior, and one thousand nine hundred and forty tons of inferior merchandize, transported by this line between the 1st of March, 1845, and the 1st of June, 1848, have not been returned to the State Treasurer, or transit duties paid thereon.

Commercial Line.

We also examined the manifests of the Commercial Line, running through the Canal in 1848, in the same manner as we did those of the Iron Steam Packet Line last mentioned, and found that the merchandize transported has been duly returned to the State Treasurer for transit duty.

Hartford Line.

The proprietors of the Hartford Line employed a few vessels in transporting merchandize through the Canal between Philadelphia and Hartford, in 1844 and 1845, some of which were chartered; these were entered on the collector's books and paid the tolls on their cargoes as they passed, and others were entered on the books at the end of the month. We cannot discover that any

omissions of tonnage carried by them have been made prior to 1846.

In 1846 the collector charged himself with all the tolls due from that line, excepting one item of two hundred and three dollars and thirty-one cents, which appears to have been afterwards accounted for, but made no entry of the tonnage transported. In 1847 and 1848, entries were made of both tolls and tonnage; and, as we could not judge of their correctness from the collector's books alone, we requested the executive committee to procure some further evidence on the subject, and a statement made by the agents of this line was laid before us. This did not furnish us with all the information required. Two of our number then visited the office of this line in Philadelphia, where the manifests and other books were freely exhibited to us by William M. Baird, the present agent.

On inspection of the manifests we found that they contained the weights of but a few of the articles shipped at Hartford; nor did they contain, as we believed, a sufficient amount of information to enable us to estimate the tonnage transported with reasonable accuracy.

We therefore requested Mr. Baird to make an estimate of the tonnage transported by this line, in 1846, 1847 and 1848, which was afterwards made by him, with the assistance of the clerks in his office, and Samuel Thompson, who detailed to us the manner of making it.

By this estimate it appeared that the said line had transported in the three years mentioned, eleven thousand five hundred and seventy-three tons of superior, and three thousand seven hundred and ninety-one tons of inferior merchandize; and that the collector had entered on his books nine thousand five hundred and six tons of superior, and four thousand four hundred and sixteen tons of inferior merchandize; showing a deficiency of two thousand and sixty-seven tons of superior, and an excess of six hundred and twenty-five tons of inferior merchandize. In the absence of more certain and definite evidence on the subject, we are induced to adopt the said estimate, as the nearest we can make to the deficiency in the returns of merchandize transported by this line, and therefore report the same accordingly.

Baltimore Line.

The manifests of the transportation line running through the Canal between Baltimore and New York, in 1847, were minutely examined. We found that seven hundred and fifty-six tons of superior, and one hundred and fourteen tons of inferior merchandize had been carried by this line while running, and that one hundred and twenty-two tons of superior and no inferior merchandize had been entered on the collector's books; leaving therefore a deficiency of six hundred and thirty-four tons of superior, and one hundred and fourteen tons of inferior merchandize transported by this line which had not been returned to the State Treasurer, or transit duties paid thereon.

We ascertained the weight of all the merchandize carried by this line from the manifests, except a small quantity which was ascertained by a comparison between the average price per one hundred pounds, which appeared to have been charged, and the whole amount of freight charged on articles, the weight of which had not been entered, or could not be computed from the manifests.

It appears by examination of the books of the treasurer of the Canal Company, and the collector at Princeton, and is admitted by the executive committee, that the transit duties on twenty-two thousand eight hundred and fourteen tons of coal transported through the Canal in 1842 and 1843, by Robert F. Stockton, under the authority of a resolution of the executive committee, before mentioned, authorizing him to transport coal to Albany and to places east of New York, for three years, free from tolls, have not been paid to the state. The amount of those transit duties were paid by Capt. Stockton, in 1844, to the treasurer of the Canal Company, who charged himself with it, but the quantity transported was not entered in the collector's book or returned to the State Treasurer. The amount of the transit duty on it is therefore still due to the state.

There is a deficiency in the return to the State Treasurer of inferior merchandize transported in December, 1847, of one

thousand seven hundred and sixty-one tons and fourteen cwt. caused by an error made by the collector at Princeton, in entering the number of tons of coal on which the tolls had been received by Mr. Pennington, the agent of the Company at Fairmount; the number of tons entered by the collector being one thousand seven hundred and sixty-one tons and fourteen cwt. less than it should have been. The transit duty on it is still due to the state.

The tonnage carried by the Easton Line appears to have been correctly estimated and regularly entered in the collector's books as the boats passed.

A large quantity of lumber passes eastward through the Canal, in rafts, and is now measured by the harbor-master at Bordentown, who enters his measurement in a book, and informs the collector at Princeton of the quantity. The latter receives the tolls and enters the tonnage on his book, in the same manner as merchandize transported in transient vessels.

We have had an opportunity to examine this branch of transportation to a small extent, by comparing the quantities entered on the collector's book with those ascertained from other sources, and as far as we have investigated this branch, found the collector's entries correct.

We have also examined and tested, in a general way, to a considerable extent, the entries made by the collectors for the transportation by transient vessels, by comparing the entries in the collector's books with the registry of the harbor-master, the clearances, and such other documents and evidence as was within our knowledge. A few errors were discovered during this examination, but none worthy of a special notice, or materially affecting the interest of the state or the stockholders.

The total amount of merchandize transported through the Canal prior to January 1st, 1849, which has not been returned to the State Treasurer, and on which transit duties have not been paid, estimated and ascertained as aforesaid, will be found in the following recapitulation :

	<i>Tons Superior.</i>	<i>Inferior.</i>
Merchandize transported by Merchants'		
and Swiftsure Lines,	79,888	1,532
Error in return to treasurer, June, 1841,		19,000
Merchandize transported by Iron Steam		
Packet Line,	17,696	1,940
" " Hartford Line,	2,067	
" " Baltimore Line,	634	114
Coal transported by Robert F. Stockton,		22,814
Error in entry on collector's book in 1847, not returned,		1,761
	<hr/>	<hr/>
Superior,	100,285	47,161
Deduct over entry of inferior for Hartford Line,		628
		<hr/>
Inferior,		46,533
		<hr/>

The transit duties on these amounts are :

On one hundred thousand two hundred and eighty-five tons of superior merchandize, at eight cents per ton,	\$8,022.80
On forty-six thousand five hundred and thirty-three tons of inferior, at two cents per ton,	930.66
	<hr/>
	\$8,953.46
	<hr/>

The transit duties due on the merchandize not returned for each
of the nine years, from 1840 to 1848, inclusive, is :

For 1840,	-	-	-	-	-	-	-	\$27.36
" 1841,	-	-	-	-	-	-	-	455.23
" 1842,	-	-	-	-	-	-	-	471.97
" 1843,	-	-	-	-	-	-	-	155.30
" 1844,	-	-	-	-	-	-	-	971.26
" 1845,	-	-	-	-	-	-	-	2,499.76
" 1846,	-	-	-	-	-	-	-	2,679.28
" 1847,	-	-	-	-	-	-	-	1,417.00
" 1848,	-	-	-	-	-	-	-	276.30
								<hr/>
Total,	-	-	-	-	-	-	-	\$8,953.46
								<hr/>

The foregoing statement of deficiencies is submitted as the
most accurate that, we believe, can be made from any evidence

now attainable. Any estimate, however, made after so much time has elapsed, and in the absence of full descriptions of the merchandize transported, must be somewhat uncertain.

In endeavoring to arrive at the truth, we have resorted to every probable source of information, but have been able to discover but few facts derived from other sources than the books before mentioned, that have aided us materially in arriving at definite conclusions.

Neither can much assistance or any evidence, that is not merely circumstantial, be derived from custom house entries, from the capacity of the vessels employed, or from the number of trips made by them. We have therefore been compelled to make the manifests, and other documents furnished by the agents of the transportation lines, the basis of the estimates made, which, although not entirely satisfactory, we believe are very near the truth.

Although we think that the pecuniary interest of the state has been ascertained by this investigation with sufficient accuracy, duty requires us to express our disapprobation in the most decided terms, of the system by which the rights of the state, as the receiver of transit duties, have hitherto been determined, and the manner in which it has been carried into effect by the subordinate officers of the Company.

From the testimony before us, we believe that none of the errors and omissions in question have been the result of fraud in the directors, or the members of the executive committee of the Joint Companies, or of design on their part against the interest of the state. The collector and deputy-collector at Princeton, both testify that they were always instructed by them to make their estimates of tonnage on which transit duties were to be paid liberal towards the state, and that they so made them, according to the best of their judgment. The collector also testifies that, as far as he knows and believes, the first information the directors of the Company received of the omissions in the returns for transit duty in 1846, was given by him; and that the supplementary return of eleven thousand and seventy tons of superior merchandize, made in 1847, embraced all the omissions of which the treasurer had been informed.

The same testimony rebuts, in our opinion, every presumption that the returns made to the State Treasurer, were wilfully false or fraudulent on the part of the treasurer of the Canal Company, because no such fraud or falsehood could have been committed by him without an actual knowledge of the errors; of which there is no evidence before us.

Neither, in our opinion, can an unfavorable inference against the honesty of the directors of the Joint Companies be drawn from the fact that some of them are largely interested in the transportation lines which carried the merchandize not returned; as a fraud or omission in the returns of merchandize, injurious to the state, could not benefit the owners of those lines, the amount of whose tolls depending not on the weights transported, but on the amount of money charged for transportation. Such fraud could, therefore, only benefit the whole body of stockholders of the Joint Companies, and not the directors in their individual capacity; and it is not to be presumed that they have committed a wilful fraud, in the profits of which others must share so largely.

The errors and omissions then appear to be the natural consequences of the defective system adopted by the board of directors for ascertaining the rights of the state, and great remissness on the part of the executive committee in enforcing it, defective as it is; and also of gross carelessness on the part of the collectors. In making their contracts for receiving a per centage on the freight charged instead of tolls, depending on the weight of the articles transported, by which, as they allege, their stockholders were protected from the danger of frauds in estimating weight; the directors do not seem to have exercised that care and vigilance in guarding the rights of the state from the same danger that men should have exercised who were enjoying, by her permission, an exclusive privilege of great pecuniary value, and who, by their controlling influence in the corporation of which they were members, were the only actual guardians of those rights. When the regular returns of superior merchandize transported in 1846, were made out at the close of that year, showing a falling off from the business of the previous year of nearly one half, the directors do not seem to have instituted such investigation into the causes of their apparently declining business, as the in-

terest of their stockholders alone should have prompted. Neither did the executive officers of the Canal Company, when the collector informed them of the omissions made by him in the last four months of 1846, which compelled them to make the supplementary return in 1847, scrutinize their books sufficiently to discover, as they might have done, that great omissions had likewise occurred in the previous months of the same year, as well as in preceding years.

The neglect of the executive committee to furnish the collectors with adequate means and information for estimating the tonnage, excuses in some degree, the errors committed by the latter in the discharge of that branch of their duties; but neither that nor any other omission of the executive officers furnishes any excuse for their frequent neglect to notice, in any way, the transit of large quantities of merchandize through the Canal, nor their neglect to inform the executive officers immediately of omissions within their knowledge, not covered by the supplemental return; with which neglect they appear by their own testimony to be chargeable.

The only report made by the directors to the stockholders, in connection with the eighth charge, that appears to require notice, is the general report made in 1848, of the total quantity of merchandize transported in each year, from 1834 to 1847, inclusive, and also of the quantities of certain articles transported in 1847.

The table of the total amount transported agrees with the returns made to the State Treasurer, by including the regular and supplementary returns for 1846, with the exception of a deficiency in the report of about two hundred tons in 1838, and an excess of three hundred tons in 1847, the cause of which we have not endeavored to ascertain on account of their small amount.

The principal allegation in the pamphlet, in support of this eighth charge, is that the weight of the superior articles enumerated in the report as passing through the Canal in 1847, is greater than the whole amount of superior merchandize returned for transit duty, without including general merchandize.

This apparent discrepancy was caused partly by an error in printing the items of eighty-six thousand and forty-one tons of maize in said enumeration, which should have been eighty-six thousand and

forty-one tons of merchandize. The alleged discrepancy is partly explained by the report itself, which represents the enumerated articles as passing "on" and not "through" the Canal, and a large portion of these is way merchandize, not subject to transit duty. We have, however, paid but little attention to the correctness of the enumeration of particular articles in the report. It was deemed more important to discover the whole amount of merchandize transported than to ascertain the quantities of particular articles, or to discover the cause of errors in reports.

With regard to the question whether freight or tolls have been paid on all merchandize transported on the Canal or not, we need only remark that the Joint Companies do not appear to have been engaged in the business of transporting on their own account, and therefore, cannot be interested in the question of freight, properly so called, except as the measure for ascertaining the tolls to be paid by the transportation lines.

Tolls appear to have been duly paid on all merchandize transported through the Canal, according to the tariff of tolls on transient vessels, or according to the several special contracts with the transportation lines, excepting some small losses by bankruptcy.

No correct computation of the income of the Canal Company from tolls can be made by calculating the tolls on all the merchandize transported, according to the regular rates, as the percentage on the freight paid by the transportation lines instead of tolls, generally amounts to less than the regular tolls, and their vessels are free from the charges of lockage and mileage.

The question of transit duties, in connection with this charge, has already been sufficiently discussed.

Before closing our report of this branch of the investigation, we deem it proper to state the conclusion to which the facts elicited during its progress have led us, with respect to the policy heretofore pursued by the Joint Companies, relative to the Canal, considered in connection with the rights of the state and her citizens; and also with respect to the future course of action required for the security of those rights.

The present mode of determining the amount of the transit

duties to be paid to the state, is exceptionable in its principles, defective in its details, and uncertain in its results.

Those transit duties are in fact taxes on the property and income of the Company, and not, as is often erroneously asserted, a tax upon passengers and merchandize transported on their works. The weight of the articles transported is declared by the charter to be the standard by which their amount is to be calculated. A correct return of those weights is required under the oath of an officer of the Company.

The charter, therefore, requires that such a method of ascertaining weights should be adopted as would, if properly pursued, enable the officer who is required to render an account to the state, to testify, understandingly, to its accuracy; and although we have before stated that it did not appear that the officer who made the previous returns, had any knowledge of their incorrectness when they were made, yet, so many defects in the system have been made manifest by this investigation, that no persons should hereafter be required to give authority to its practical results by attaching to them the solemnity of an oath.

If the estimates of the tonnage carried by the Merchants' and Swiftsure Lines afford any evidence, the returns to the State Treasurer have been inaccurate, at least ever since 1840; and that they have not always been injuriously so to the state is the result of chance.

From the testimony taken by us, it would appear that any estimate, even if made with skill and care, and with better means of information than any yet furnished the collector, would still be uncertain to an extent inconsistent with the correct determination of the rights of the state. While the present system of special contracts exists, both past experience and the general tendency of things render it improbable that the collectors will exercise much care over the interest of the state, while they act with the knowledge that the income of their employers does not depend on their estimates or entries of the tonnage carried by the transportation lines.

Neither should the state accept, as the measure of the rights which she has clearly and precisely reserved to herself by her

laws, anything so entirely imaginary as the liberality or generosity of a corporation.

When the state imposes a tax on her individual citizens, she enforces from them correct accounts of all their property subject to taxation, under the most cogent penalties; and there can be no reason why the property of associated individuals should be exempted from the like accountability, especially when its value has been, in a great measure, created by the law which subjects it to taxation.

It appears then to be manifest that a more certain and satisfactory mode of determining the actual weight of the merchandize transported on the Canal, should be adopted, both by requiring the transporters to produce sufficient evidence of the weight carried, and by the construction of proper apparatus for weighing it as it passes.

No weigh-lock has yet been built by the Delaware and Raritan Canal Company, although such a structure seems indispensable to the correct transaction of business on any Canal.

It may be urged as an objection to the use of a weigh-lock, that it will injure vessels by bringing them in contact with a solid substance; this will be the case to some extent, but vessels used in inland navigation are often left aground by the tide in situations more dangerous than they would occupy in a weigh-lock.

It may also be objected that no discrimination could be made by this means between superior and inferior merchandize. This is a matter of little consequence; the weight of nearly all inferior merchandize being well known or easily ascertainable by other means.

From the inquiries made by us, it appears that a structure of this kind could be erected at a reasonable expense, at the principal collector's office, and seems to be absolutely required as a check on the transient business; and if the Canal should be ever thrown open to all persons alike, a weigh-lock would be indispensable to the security of the interest of the stockholders. The knowledge that the Company possessed a means of detecting fraud, would tend to prevent its commission.

The system of special contracts for the receipt of less than the regular rates of toll is entitled to some attention.

The charter declares the Canal to be a common highway, and also declares that it shall be used for the transportation of passengers, and all goods, commodities or produce, on payment of the established tolls; and evidently contemplates that it shall be used by all persons alike. There is no peculiar skill required in the use of a Canal, as there is of a railroad, that prevents it from being safely used by all persons. In view of these declarations of the charter, discriminations in the tolls to be paid by different persons transporting similar articles between the same points, are of doubtful propriety.

The legislature, in chartering the Canal Company, were certainly influenced by higher considerations than merely the creation of a source of revenue to the state and of income to the stockholders. They contemplated the construction of a great public work, which would afford profitable employment to the labor and capital of the citizens of the state; in transporting their own property or that of citizens of other states. By the enlarged size of the Canal, required by the supplement to the charter passed February 3d, 1831, they evidently intended that the work should be national in its character, and afford a communication that might be used by the coasting trade of the country with greater safety and equal facility with the ocean; and while they gave the directors power to regulate tolls, did not authorize them to regulate the price of transportation or to determine who should be the transporters.

We infer from the collector's books that the effect of the special contracts has been to exclude individuals almost entirely from embarking in the transportation of superior merchandize through the Canal; such contracts also appear to us to destroy the national character and object of the improvement. The owners of transient coasting vessels cannot afford to send them through the Canal with a cargo of superior merchandize, as the tolls charged would be too large a proportion of the freight to leave them a sufficient remuneration for their labor.

Whatever reasons there may have been at the opening of the Canal navigation, to invite persons engaged in transportation by sea, by special privileges, to conduct their business through the Canal, it is believed that few or none of them now exist; and it is

even questionable whether still greater advantage would not have accrued to the stockholders, if the same reductions of toll had been made at the opening of the Canal to the public at large, that were made to the transportation lines.

It has been urged that those contracts were required to enable the transportation through the Canal, to compete successfully with that by sea. The whole transportation of superior merchandize, between New York and Philadelphia, has, for the last ten years, been confined to from eighteen to twenty-four vessels, owned by the same persons. Now, it appears to be the most unlikely of all methods of creating a successful competition, to limit the transportation through the Canal to a small number of vessels, and thus prevent any reduction of cost to the shipper, while that by sea is open to an unlimited number, with an active rivalry between their owners.

Experience has now proved that a certain quantity of superior merchandize will seek the Canal as the channel of transportation at the rates of toll paid according to the special contracts; and if it should be thought advantageous to increase the quantity by a further reduction of tolls, there is no obvious reason why such reduction would not have the same effect, if made to the public as if made to particular individuals.

The concentration of capital required to carry on the business of transportation successfully, and to inspire the confidence of the public, is as likely to take place in this as in any other productive branch of industry.

The adoption of the system of special contracts would also seem to neutralize, in a great measure, the advantage which greater safety gives the inland over the sea route; for by preventing that competition between the transporters on the Canal, which would reduce the price to the shipper, they make it more advantageous for the latter to send his property by sea, even after paying the additional charge for insurance.

Those contracts are also objectionable, considered in relation to the interest of the state as a stockholder.

The Company have hitherto had no guarantee for correct accounts of the tolls due them from the transportation lines, except the integrity and honesty of the owners and agents; and although the individuals who have heretofore stood in those relations to

them, appear to have generally been men of respectability, they cannot expect to be always similarly connected with men of that character, nor should they rely on the accounts of other persons, when they could have recourse to their own.

The exclusive privileges expressed in the charters of the Companies are sufficiently invidious, and ought not to be made still more obnoxious by a course of policy conflicting with the spirit of the charter, and of doubtful utility to the interest of the stockholders.

The discriminations in the tolls on merchandize carried by the same persons to different places beyond the extremities of the Canal, appear in some cases to add materially to the revenue of the Canal, without giving any just cause of complaint to individuals.

There can be no doubt that business may be drawn into the Canal, by very low rates of toll, that might with nearly equal facility, seek other channels, and although the income derived therefrom may be small, it will be almost entirely profit. The reduction of the tolls on merchandize passing through the Canal between Philadelphia and Albany, and between Philadelphia and Hartford, have materially increased the revenue both of the state and the Company. But even such discriminations should never be made without a proper regard to the interest of the owners of other channels of transportation, nor unless the advantages to the party making them were manifest.

Questions of mere policy, however, are matters of discretion with the directors of the Company. The intelligence and experience of the present directors and their great interest in the property of which they are the managers, entitle their acts at least to a careful examination and serious consideration, and the exercise of their discretion should be properly regarded.

For the purpose of showing the whole amount of transportation of passengers and merchandize liable to transit duty, which has passed through the Delaware and Raritan Canal, from the opening thereof in 1834 to 1st January, 1849, we have, at considerable labor and with great care, prepared the following table No. 5, which we believe may be relied upon as correct.

It does not contain the amount of the tonnage of non-dutiable merchandize transported, as the collectors are not always in the practice of entering the weight of that in their books.

TABLE V.

Table, showing the number of Tons of Superior and Inferior Merchandise returned by the Treasurer of the Delaware and Raritan Canal Company to the State Treasurer for transit duty. The number of Passengers returned to the State Treasurer for transit duty. The number of tons of Superior and Inferior Merchandise actually transported through the Canal, as ascertained by the Commissioners. The number of tons of Superior and Inferior Merchandise subject to transit duty, and not returned to the State Treasurer. The total number of tons of Superior and Inferior Merchandise added together, returned for transit duty, as ascertained by the Commissioners; and the amount reported by the Board of Directors to the Stockholders of said Company, from the opening of the Navigation through the Canal in the year 1834, to 1848, both inclusive.

Year.	Amount returned for Transit duty.					Amount Transported.					No. of Passengers	Amount not returned for Transit Duty.					Total returned for Transit Duty.					Total Transported.					Total reported to Stockholders.				
	Superior.		Inferior.			Superior.		Inferior.				No. of Passengers	Superior.		Inferior.			Superior and Inferior.		Superior and Inferior.			Superior and Inferior.		Superior and Inferior.						
	T.	cwt. grs. lb.	T.	cwt. grs. lb.	T.	cwt. grs. lb.	T.	cwt. grs. lb.	T.	cwt. grs. lb.			T.	cwt. grs. lb.	T.	cwt. grs. lb.	T.	cwt. grs. lb.	T.	cwt. grs. lb.	T.	cwt. grs. lb.	T.	cwt. grs. lb.	T.	cwt. grs. lb.	T.	cwt. grs. lb.			
1834	2,991	18 0 18	9,467	3 0 0	2,991	18 0 18	9,467	3 0 0	16	12,459	1 0 27	57,736	5 0 9	3,923,849	0 1	12,459	1 0 27	57,736	5 0 9	4,070,667	8 1 5	12,459	1 0 27	57,736	5 0 9	5,748,336	13 1 22				
1835	31,670	9 0 9	26,065	16 0 0	31,670	9 0 9	26,065	16 0 0	22	88,467	16 1 2	122,488	18 0 22	4,070,667	0 1	88,467	16 1 2	122,488	18 0 22	4,070,667	0 1	88,467	16 1 2	122,488	18 0 22	4,070,667	0 1				
1836	36,109	13 0 8	82,358	3 0 0	36,109	13 0 8	82,358	3 0 0	22	122,488	18 0 22	119,675	8 2 3	4,070,667	0 1	119,675	8 2 3	122,488	18 0 22	4,070,667	0 1	119,675	8 2 3	122,488	18 0 22	4,070,667	0 1				
1837	36,004	12 2 20	86,484	4 2 2	36,004	12 2 20	86,484	4 2 2	26	172,398	8 1 13	127,398	8 1 13	4,070,667	0 1	172,398	8 1 13	127,398	8 1 13	4,070,667	0 1	172,398	8 1 13	127,398	8 1 13	4,070,667	0 1				
1838	53,089	12 2 5	66,585	15 3 26	53,089	12 2 5	66,585	15 3 26	10	174,884	3 2 16	174,884	3 2 16	4,070,667	0 1	174,884	3 2 16	174,884	3 2 16	4,070,667	0 1	174,884	3 2 16	174,884	3 2 16	4,070,667	0 1				
1839	41,261	16 3 24	86,136	11 1 17	41,261	16 3 24	86,136	11 1 17	5	240,048	17 0 0	240,048	17 0 0	4,070,667	0 1	240,048	17 0 0	240,048	17 0 0	4,070,667	0 1	240,048	17 0 0	240,048	17 0 0	4,070,667	0 1				
1840	45,618	0 1 0	126,604	4 1 1	45,618	0 1 0	126,604	4 1 1	8	350,783	18 0 0	350,783	18 0 0	4,070,667	0 1	350,783	18 0 0	350,783	18 0 0	4,070,667	0 1	350,783	18 0 0	350,783	18 0 0	4,070,667	0 1				
1841	45,338	1 2 5	123,546	2 0 11	45,338	1 2 5	123,546	2 0 11	16	462,702	16 0 0	462,702	16 0 0	4,070,667	0 1	462,702	16 0 0	462,702	16 0 0	4,070,667	0 1	462,702	16 0 0	462,702	16 0 0	4,070,667	0 1				
1842	35,319	3 0 6	187,949	15 1 13	35,319	3 0 6	187,949	15 1 13	52	460,275	16 0 0	460,275	16 0 0	4,070,667	0 1	460,275	16 0 0	460,275	16 0 0	4,070,667	0 1	460,275	16 0 0	460,275	16 0 0	4,070,667	0 1				
1843	41,407	16 0 0	198,641	1 0 0	42,604	15 2 18	207,618	1 0 0	52	717,873	3 0 0	717,873	3 0 0	4,070,667	0 1	717,873	3 0 0	717,873	3 0 0	4,070,667	0 1	717,873	3 0 0	717,873	3 0 0	4,070,667	0 1				
1844	58,938	12 0 0	291,446	4 0 0	71,079	10 2 10	291,446	4 0 0	37	651,249	4 0 0	651,249	4 0 0	4,070,667	0 1	651,249	4 0 0	651,249	4 0 0	4,070,667	0 1	651,249	4 0 0	651,249	4 0 0	4,070,667	0 1				
1845	64,470	8 0 0	338,263	0 0 0	95,390	8 0 0	338,263	0 0 0	0	700,109	13 0 0	700,109	13 0 0	4,070,667	0 1	700,109	13 0 0	700,109	13 0 0	4,070,667	0 1	700,109	13 0 0	700,109	13 0 0	4,070,667	0 1				
1846	43,910	10 0 0	380,792	6 0 0	76,707	10 0 0	380,792	6 0 0	0	647,370	4 0 0	647,370	4 0 0	4,070,667	0 1	647,370	4 0 0	647,370	4 0 0	4,070,667	0 1	647,370	4 0 0	647,370	4 0 0	4,070,667	0 1				
1847	109,662	2 0 0	530,447	11 0 0	127,357	12 0 0	530,447	11 0 0	0					4,070,667	0 1					4,070,667	0 1					4,070,667	0 1				
1848	106,329	4 0 0	541,041	0 0 0	109,641	4 0 0	541,041	0 0 0	0					4,070,667	0 1					4,070,667	0 1					4,070,667	0 1				
	752,020	2 1 11	3,171,828	17 3 23	852,305	7 4 7	3,218,361	18 1 5	166	100,285	5 2 6	46,533	0 0 0	3,923,849	0 1	4,070,667	8 1 5														

It may be well to add the following explanations of the table :

The first column shows the date. The second and third columns show the number of tons of superior and inferior merchandize transported for each year and returned to the State Treasurer for transit duty. The fourth and fifth columns show the number of tons of superior and inferior merchandize actually transported and liable to transit duty, as ascertained by the Commissioners. The sixth column contains the whole number of passengers transported and returned to the State Treasurer for transit duty. The seventh and eighth columns show the number of tons of superior and inferior merchandize transported, liable to transit duty, and not returned to the State Treasurer. The ninth column, the total number of tons of merchandize, superior and inferior added together, returned for transit duty. The tenth column, the total number of tons of merchandize, superior and inferior added together, actually transported, as ascertained by the Commissioners. The eleventh column, the total number of tons of merchandize "carried through the Delaware and Raritan Canal, from 1834 to 1847, inclusive," as per statement in the "Report of the Joint Board of Directors to the stockholders, made January 12, 1848."

The amounts entered in the second and third columns were taken from certified copies of the returns made to the State Treasurer.

The amounts entered in the fourth and fifth columns are the aggregate amounts of the second and third and the seventh and eighth columns.

We annex hereto a statement or recapitulation of the omissions in the returns of passengers and merchandize transported on the Railroad and Canal, prior to January 1, 1849, liable to transit duty, as shown by the preceding tables; showing also the amount due the state for the same.

On the Railroads:

Passengers omitted as shown by table 1, in the last column, viz :

Trips of messenger with Adams & Co.'s express chest,	7,593
	1,408

At ten cents each,

9,001	\$900.10
-------	----------

Amount brought forward, \$900.10

Merchandise omitted, as shown by table 3:

	T.	cwt.	qr.	lb.	
Through merchandise omitted in 1843,	120	17	3	20	
Through merchandise carried by express chest of Adams & Co.,	251	00	0	00	
Through merchandise carried by Livingston & Co.,	139	00	0	00	
Through merchandise, winter transportation,	8,635	19	1	19	
Way merchandise omitted, from certain points and places between Camden and Bordentown, and from Princeton to Amboy, by Bordentown,	1,444	18	0	01	
	<hr/>	<hr/>	<hr/>	<hr/>	
At fifteen cents,	10,591	15	1	12	1,588.75

On the Canal:

Superior merchandise omitted:

100,285 tons, 5 cwt., 2 qrs., 6 lbs., at eight cents per ton, 8,022.80

Inferior merchandise omitted:

46,533 tons, at two cents per ton, 930.66

\$11,442.31

From the above is to be deducted the amount returned in the supplemental return made in July, 1849, for omissions made previous to January 1, 1849, viz:

On Railroad, 7,295½ passengers, at ten cents, \$729.55

120 tons, 17 cwt., 3 qrs., 20 lbs. merchandise,

at fifteen cents, 18.13 747.68

Amount due the state, January 1, 1849, after deducting the amount paid on account in July, 1849,

\$10,694.63

[*Note.*—By reference to the supplemental return of July, 1849, it will appear that the amount of that return is seven hundred and eighty-seven dollars and sixty-eight cents. In making up that amount some omissions of passengers on the Railroad in 1849 were included. We have deducted these from the amount of the credit, so as to show the amount still due to the state up to January 1, 1849.]

For the purpose of giving a general view of the whole receipts of the state from the Delaware and Raritan Canal and the Camden and Amboy Railroad and Transportation Companies from 1832 to 1848, inclusive, we annex the following table.

The first column shows the amount paid to the State Treasurer for each year. We may remark that the amounts set down for each year was not all paid within the year, in consequence of the dividend for the last half year not being declared or payable until a few days after the year had closed; and also, in consequence of the transit duty for the last quarter not being ascertained till the commencement of the next.

The dividend on one thousand shares of the stock being included in the guarantee of thirty thousand dollars, has generally been retained until the close of the year, and paid in the early part of the succeeding year.

We made a careful examination to ascertain at what time the transit duties and the dividend on the one thousand shares of the stock exceeded the guarantee of thirty thousand dollars, and refer to the second column in the table as showing that in 1836, they first exceeded it by two hundred and forty-one dollars and forty and a half cents; that in 1837 they again fell short, and in 1838 they again exceeded it, and have so continued to the present time. The second column also shows the whole amount due the state for each year, (except for the omissions heretofore referred to in this report) from all sources, viz: transit duty on Railroad and Canal, guarantee, dividends and interest on bonds.

STATEMENT showing the sums due and paid to the state of New Jersey, year by year, from the Delaware and Raritan Canal and the Camden and Amboy Railroad and Transportation Companies, as returned to the State Treasurer, from 1832 to 1848, inclusive.

Year.	Amount paid, as per State Treasurer's ac- counts.	Amount due as appears by the returns made to State Treasurer for Transit Duty and Guarantee, Dividends and Interest.
	Dolls. Cts.	Dolls. Cts.
1832	1,150.68	Transit duty on Railroad, from 17th December to 31st De- cember, 1832, 1,150.68
1833	36,000.00	Transit duty on Railroad, 11,897.77 Dividend on 1,000 shares stock, 6,000.00 Balance, guarantee, 1,212.23 Dividend on 1,000 shares stock, 6,000.00 36,000.00
1834	36,000.00	Transit duty on Railroad, 11,801.38 Dividend on 1,000 shares stock, 6,000.00 Balance, guarantee, 12,198.62 Dividend on 1,000 shares stock, 6,000.00 36,000.00
1835	36,000.00	Transit duty on Railroad, 16,364.04½ Dividend on 1,000 shares stock, 6,000.00 Balance, guarantee, 7,365.95½ Dividend on 1,000 shares stock, 6,000.00 36,000.00
1836	42,241.40½	Transit duty on Railroad, 18,241.40½ Dividend on 1,000 shares stock, 12,000.00 Dividend on 1,000 shares stock, 12,000.00 42,241.40½

STATEMENT—*continued.*

Year.	Amount paid, as per State Treasurer's ac- counts.	Amount due as appears by the returns made to State Treasurer for Transit Duty and Guarantee, Dividends and Interest.
	Dolls. Cts.	Dolls. Cts.
1837		Transit duty on Railroad, 16,142.35 $\frac{1}{2}$ Dividend on 1,000 shares stock, 8,000.00 Balance, guarantee, 5,857.64 $\frac{1}{2}$ Dividend on 1,000 shares stock, 8,000.00
	38,000.00	38,000.00
1838		Transit duty on Railroad, 14,433.59 Supplemental return ditto, 3,783.25 Transit duty on Canal, 5,579.67 Dividend on 2,000 shares stock, 20,000.00
	43,796.51	43,796.51
1839		Transit duty on Railroad, 20,116.77 Transit duty on Canal, 5,024.31 Dividend on 2,000 shares stock, 14,000.00
	39,141.08	39,141.08
1840		Transit duty on Railroad, 17,924.57 Transit duty on Canal, 6,173.75 Dividend on 2,000 shares stock, 12,000.00 Six months' interest on \$17,000 bond, to August, 510.00
	36,608.32	36,608.32
1841		Transit duty on Railroad, 18,539.82 Transit duty on Canal, 6,219.17 Dividend on 2,000 shares stock, 12,000.00 1 year's interest on \$17,000 bond, 1,020.00
	37,778.99	37,778.99

STATEMENT—*continued.*

Year.	Amount paid, as per State Treasurer's ac- counts.	Amount due as appears by the returns made to State Treasurer for Transit Duty and Guarantee, Dividends and Interest.	
	Dolls. Cts.		Dolls. Cts.
1842		Transit duty on Railroad,	18,546.01 $\frac{1}{2}$
		Transit duty on Canal,	6,588.69
		Dividend on 1,000 shares stock,	12,000.00
		1 year's interest on \$17,000 bond,	1,020.00
		38,154.99 $\frac{1}{2}$	38,154.70 $\frac{1}{2}$
1843		Transit duty on Railroad,	19,679.71
		Transit duty on Canal,	7,285.44
		Supplemental return, (Railroad),	6,189.77
		Dividend on 2,000 shares stock,	14,000.00
		1 year's interest on \$17,000 bond,	1,020.00
	48,174.91		48,174.92
1844		Transit duty on Railroad,	23,935.85
		Transit duty on Canal,	10,547.01
		Dividend on 2,000 shares stock,	16,000.00
		1 year's interest on \$17,000 bond,	1,020.00
		51,502.85	51,502.86
1845		Transit duty on Railroad,	26,853.57
		Transit duty on Canal,	13,124.38
		Dividend on 2,000 shares stock,	18,000.00
		1 year's interest on \$17,000 bond,	1,020.00
		58,997.93	58,997.95
1846		Transit duty on Railroad,	28,414.49
		Transit duty on Canal,	11,128.62
		Dividend on 2,000 shares stock,	20,000.00
		1 year's interest on \$17,000 bond,	1,020.00
		60,563.11	60,563.11

STATEMENT—*continued.*

Year.	Amount paid as per State Treasurer's ac- counts.	Amount due as appears by the returns made to State Treasurer for Transit Duty and Guarantee, Dividends and Interest.
1847	Dolls. Cts.	Dolls. Cts.
		Transit duty on Railroad, 33,017.02
		Transit duty on Canal, 20,591.96
		Dividend on 2,000 shares stock, 24,000.00
		1 year's interest on \$17,000 bond, 1,020.00
	78,628.98	78,628.92
1848		Transit duty on Railroad, 34,229.68
		Transit duty on Canal, 19,327.13
		Dividend on 2,000 shares stock, 24,000.00
		1 year's interest on \$17,000 bond, up to August, 1848, 1,020.00
	78,576.82	78,576.81
	761,316.52	

FOURTH AND FIFTH CHARGES.

The fourth is "That the returns made to the Treasurer's office have been false and fraudulent."

The fifth is "That the Company or its managers are largely indebted to the state on that account."

The material facts in connection with the above charges have already been stated in this report. They require, therefore, but little additional notice and may be disposed of in a few words. With the exception of the fraud imputed in the fourth charge, they are both mere consequences or deductions from the three first charges in the pamphlet, already considered.

If more passengers and merchandize, liable to transit duty, have been carried by the Joint Companies than have been returned to the State Treasurer for transit duty, then of course, those returns are not true, to the extent of the difference, because

they purport to return all the passengers and freight liable to duty.

We have already shown that the returns to the state are defective to some extent, both as respects passengers and merchandize. But that they are false and fraudulent intentionally, or in a criminal sense, we do not believe. That there have been errors, omissions and neglect, there can be no doubt.

We have not, however, discovered any fact during the whole of the investigation that induces us to believe that either of the treasurers of the Joint Companies intended or desired to commit any fraud upon the state by their returns; on the contrary, we are satisfied by the facts and the evidence, that those gentlemen intended to have their returns to the state correct, and that they supposed and believed that they were so.

The returns for transit duty are prepared or made up from the books, for the officers whose duty it is to verify and send them to the State Treasurer.

We have already, in a previous part of this report, stated how and why they are defective.

Receipts and Disbursements of the Joint Companies.

The state of New Jersey, as a stockholder, is deeply interested in the faithful administration of the fiscal affairs of the Joint Companies.

The integrity of that administration is directly impeached by the

NINTH, TENTH, AND ELEVENTH CHARGES.

The ninth is "That a large proportion of the earnings of the machinery of the Company has never reached the Company's treasury."

The tenth is "That large sums which have reached that treasury, have subsequently been abstracted therefrom."

The eleventh is "That the accounts rendered to the stockholders have, throughout, been falsified to cover those abstractions."

These charges deeply affect the pecuniary interests of the

stockholders as well as the private character of the individuals who direct and control the affairs of the Joint Companies. We had every inducement, therefore, for close and careful scrutiny of the facts connected with this branch of the investigation.

In order to ascertain whether the whole amount of the earnings and income of the Companies had found their way into the treasury, we carefully examined the original way-bills, manifests, vouchers, statements, and books of entry. We kept in view the different lines, boats and other sources of revenue, and traced their proceeds into the books. By the original papers, we calculated the true amount of the current receipts, and then traced the proper entries for them up to the books of the two treasurers. This course of examination was pursued for various periods of time, during the whole of the operations of the two Companies, thereby testing the general accuracy of the books. It would have been impossible, within any reasonable limit of time, to have subjected all the original vouchers to such a course of inspection. In addition, as appears by the testimony, several of the agents and book-keepers were examined on the subject of receipts and disbursements, and the correctness of the books and accounts. The result was that we found the various earnings, receipts and revenues of both Companies correctly entered in the books and accounted for by the treasurers, with the exception of the sum of seven thousand two hundred and twenty-seven dollars and ninety-four cents, part of the net receipts from steam-towing, which was paid out by Mr. Gatzmer, the principal agent in Philadelphia, on account of expenses incurred by the steamer *Rainbow*, on the Delaware river in 1842-'3. This sum does not appear upon the abstract book, nor in the treasurer's book. The particulars of the transaction will be found in Mr. Gatzmer's testimony. The net receipts from steam-towing all pass through his hands.

The same course was pursued with respect to disbursements. The original vouchers, receipts and evidences of payments, were called for, examined and compared with the entries in the books. When the precise object of the expenditure did not appear upon the face of the voucher, parol testimony was resorted to for explanation, as will appear in the evidence.

The day books were then compared with the ledgers, and

these with the abstract and treasurer's books. The expenditures charged to the incidental account, and some others of the like indefinite character, were examined with care, to discover if any of them were irrelevant or improper.

The testimony of Mr. Gatzmer and the statement of Gen. Cook, the engineer of the Railroad, presented under oath, may be especially referred to, with respect to the disbursements generally of the Railroad Company; the nature of some of them; the reason for them; and the cause of the increased amount in the last few years, as compared with earlier periods. The expenditures of the last named Company for repairs and improvements upon the road, have been very heavy during the last few years. The statement of Gen. Cook will also show the present condition of the road.

It is difficult, if not impossible, to limit or even properly estimate the necessary and often unexpected outlays of money required for a railroad doing a large passenger and transportation business.

Within the last two years, the Canal Company, in addition to ordinary expenses for repairs, have been subjected to an expenditure of about one hundred and ten thousand dollars, in the construction of two additional outlet locks; one at Bordentown, and the other on the Feeder at Wells's Falls, for the purpose of forming a connection with the Delaware division of the Pennsylvania Canal.

The statement of Ashbel Welch, the engineer of the Canal Company, may be consulted for information respecting the expenditures of that Company for these and other improvements and repairs along the line of the Canal.

As a general remark, applicable to both Companies, we must say that we did not, in the course of our investigation, discover any expenditures by either of them, of an extraordinary or unusual character, or that require any particular notice or comment. They all appear to have been made by the authority of the directors, in the prosecution of the regular and legitimate business of the Companies.

We found various charges for legal expenses, and some others of a like character, resting entirely within the discretion of the

board of directors. We do not consider it our duty to question the proper exercise of that discretion, by noticing particularly, expenditures of that description.

We did not in any instance find that money had been abstracted from the treasury, as alleged in one of the charges. All the appropriations and disbursements of money appear to have been made by competent authority, and for the general benefit of all the stockholders.

We do not wish to be understood by the preceding remarks, as saying that in the course of our examination of the original papers and books, we did not discover any mistakes, errors or discrepancies. That would not be true. We did occasionally meet with them. They were, however, small in amount and immaterial in their character. Many of them were manifestly mere clerical errors and mistakes. None of them appeared intentional. Some of them will be found noticed in the evidence. These small errors and mistakes, instead of shaking, rather confirmed our belief that the books might be relied upon as authentic records of the business transactions of the Companies.

We endeavored to make our examination thorough and conclusive; and so far as we were enabled to ascertain the facts, it appeared to us that the treasurers of the two Companies had, with scrupulous care and fidelity, charged themselves with and accounted for all the receipts and earnings of the Companies, with the exception of the item from steam-towing, before noticed, paid out by Mr. Gatzmer; and perhaps, with the further exception of a discrepancy of four hundred and thirty-eight dollars and ninety-two cents, in the accounts of the two treasurers, which occurred in 1836, the cause of which we could not discover.

We have thus briefly detailed the facts in relation to the charges above stated, to the best of our information. The truth of the charges must be judged of by those facts.

The earnings derived from steam-towing, as part of the machinery of the Companies, are referred to in the pamphlet as never having reached the treasury of the Company.

We do not so find the facts. The stockholders of the Companies have had the benefit of those earnings. They are ac-

counted for by the treasurer, with other receipts, with the single exception above mentioned. This steam-towing account we will present hereafter.

Railroad Receipts and Disbursements.

We have prepared the following series of tables, marked numbers six, seven and eight, for the purpose of exhibiting in that form the annual receipts, disbursements, and balances of the Railroad Company.

The precise object of each table will appear on its face. We will, however, append to them a few explanatory remarks.

TABLE VI.

Showing the Annual Current Receipts and Disbursements of the Camden and Amboy Railroad Company from the first day of October, 1832, to December 31st, 1848, with the net balance at the end of each year, as the same are entered in and appear upon the General Abstract Book.

Year.	Receipts.	Expenditures.	Balance.
1833	\$518,364.57	\$311,405.51	\$206,959.06
1834	514,253.30	264,475.48	249,777.82
1835	659,467.40	299,004.13	360,463.27
1836	783,969.36	353,677.53	430,291.83
1837	732,138.96	378,391.10	353,747.86
1838	755,083.88	340,320.58	414,763.30
1839	670,328.86	283,418.43	386,910.43
1840	565,540.69	244,636.59	320,904.10
1841	678,711.79	306,029.67	372,682.12
1842	645,700.20	279,961.02	365,739.18
1843	713,369.50	322,124.60	391,244.90
1844	780,709.17	379,234.92	401,474.25
1845	882,751.54	560,408.22	322,343.32
1846	1,022,253.10	606,949.54	415,303.56
1847	1,150,383.26	741,917.96	408,465.30
1848	1,152,263.07	662,920.59	489,342.48

The foregoing table was prepared from the general abstract book without discriminating between the civil year and the former fiscal year of the Companies. Thus, the years 1833 and 1834, in the table, are civil years; 1835 is a fiscal year, terminating November 30, 1835, and contains, therefore, but eleven months. From 1835 to 1842, inclusive, the fiscal year is unrepresented; 1843 commences December 1, 1842, and terminates December 31, 1843, and contains, therefore, thirteen months. The remaining years of the table are civil years. After 1843, as before stated, the fiscal year was adapted to the civil year, and as the table embraces the whole of the current receipts and disbursements of the Railroad, from its commencement to 1848, inclusive, this disregard of fiscal and civil years in the table, can make no difference in the general result, and in reality renders it more simple.

It is true that the table will not, on that account, agree with some of the reports of the directors to the stockholders, upon which some of the charges against the Companies are based. The eleventh charge, above considered, directly impeaches the truth of those reports. We have shown above that the facts as ascertained by us are at variance with that charge. Some of these reports to stockholders are adapted to the fiscal and some to the civil year.

In our remarks, in connection with the passenger and transportation tables, we have endeavored to account for and reconcile discrepancies in reports to stockholders upon those subjects. Those remarks will apply equally well in the general to the apparent discrepancies in the reports to the stockholders, with respect to the receipts and disbursements of the Joint Companies.

Our table shows the whole of the current receipts and expenditures of the Railroad Company taken from the proper records. We have carefully examined the several reports made to the stockholders and compared them with the proper books and vouchers. And were it advisable or proper to swell this report with additional explanations, it could readily be shown that, with the exception of some clerical errors and manifest mistakes in extracting from the general abstract book, the several reports to the stockholders respecting receipts and

disbursements, correspond with our tables, and substantially agree with each other. Our attention was particularly directed to the large discrepancy between the reports of 1842 and 1848, respecting the receipts of the Railroad for 1841. There is no difficulty in accounting for the variance. The report of 1842 is correct. The report of 1848 gives merely the regular monthly returns of receipts from Railroad as entered in abstract book, and neglected to add an amount for extra earnings on Railroad that came in at the end of the fiscal year; and also, three other items of large amount received from the Philadelphia and Trenton Railroad, the New Brunswick Company, and the Post Office Department, altogether amounting to about one hundred and twenty thousand dollars, the difference between the two reports. These other items are included in the report of 1842. They were entered in the general abstract book at the time the report of 1842 was made, but not in the monthly abstracts or statements.

It would appear that the clerk who prepared the report of 1848, for the year 1841, consulted the monthly abstracts only.

TABLE VII.

Showing the General Receipts of the Treasurer of the Railroad Company from current Net Earnings and Extraneous Sources, including Dividends on the Philadelphia and Trenton Railroad Stock, and Payments to him by the Treasurer of the Canal Company towards the Semi-annual Dividends, from 1833 to 1848, inclusive, arranged according to the Fiscal Year.

Years.	Net earnings as per previous ta- ble.	Dividends on Philad'a and Trenton Rail- road Stock.	Receipts from Extraneous Sources.	Receipts from Treasurer of Canal Com- pany.	Total Receipts.
	Dollars. cts.	Dollars. cts.	Dollars. cts.	Dollars. cts.	Dollars. cts.
1833	206,959.06	.....	.....	.....	206,959.06
1834	249,777.82	.....	.....	.....	249,777.82
1835	360,463.27	.....	.....	.....	360,463.27
1836	430,291.83	.....	.....	.....	430,291.83
1837	353,747.86	.....	.....	.....	353,747.86
1838	414,763.30	.....	11,170.00	.....	425,933.00
1839	386,910.43	.....	100,766.18	46,000.00	533,676.61
1840	320,904.10	16,500.00	64,653.43	38,698.32	440,755.05
1841	372,682.12	33,000.00	3,301.50	20,000.00	428,983.62
1842	365,739.18	33,000.00	45,410.90	25,000.00	469,150.08
1843	391,244.90	38,500.00	23,285.17	25,000.00	478,030.07
1844	401,474.25	44,000.00	6,482.06	90,000.00	541,956.31
1845	322,343.32	49,500.00	3,388.38	115,000.00	490,231.70
1846	415,303.56	55,000.00	20,264.02	70,000.00	560,567.58
1847	408,465.30	66,000.00	95,489.16	85,000.00	654,954.46
1848	489,342.48	66,000.00	54,210.58	20,000.00	629,553.06
					7,255,031.38
Total payments,					7,201,216.80
Balance in the hands of Treasurer, Jan. 1, 1849,					53,814.58

TABLE VIII.

Showing the Payments made by the Treasurer of the Railroad Company, out of the money received in his hands, as per Table 7, also the Balance on hand at the end of each Year.

Year	Extraneous Disbursements.	Payments of Interest.	Payments of Dividends.	Total Payments.	Balance in hand, of each year's business.	Balance on hand after being added to, or subtracted from, the preceding year.
1833	...	.. ..	\$174,000 00	\$174,000 00	\$32,959 06	\$32,959 06
1834	...	.. ..	174,000 00	174,000 00	75,777 82	108,736 88
1835	\$184,679 24	\$84,765 14	174,000 00	443,444 38	— 82,981 11	25,755 77
1836	.. ..	102,822 36	348,000 00	450,822 36	— 20,530 53	5,225 24
1837	21,992 00	104,288 50	232,000 00	358,280 50	— 4,532 64	692 60
1838	9,992 00	103,280 00	290,000 00	403,272 00	— 22,661 00	23,353 60
1839	187,291 57	166,738 94	203,000 00	557,030 51	— 23,353 90	— 30
1840	73,939 53	176,952 07	174,000 00	424,891 60	15,863 45	15,863 15
1841	5,000 00	222,599 68	174,000 00	401,599 68	27,383 94	43,247 09
1842	77,268 42	229,403 69	174,000 00	480,672 11	— 11,522 03	31,725 06
1843	.. ..	227,857 04	203,000 00	430,857 04	47,173 03	78,898 09
1844	42,608 48	230,930 30	232,000 00	505,538 78	36,417 53	115,315 62
1845	19,984 00	230,302 61	261,000 00	511,286 61	— 21,054 91	94,260 71
1846	41,993 71	215,693 53	290,000 00	547,687 24	12,880 34	107,141 05
1847	111,619 87	226,857 57	348,000 00	686,477 44	— 31,522 98	75,618 07
1848	71,989 39	231,367 16	348,000 00	651,356 55	— 21,803 49	53,814 58
				\$7,201,216 80	\$271,116 17	plus.
					\$217,301 59	minus.
		Balance in Treasurer's hands, Jan. 1, 1849,			\$53,814 56	

The treasurer of the Railroad Company acts also as treasurer of the Joint Companies, so far as relates to receipts and disbursements of money, more particularly concerning the Companies jointly; such as the receipts of money from the treasurer of the Canal Company towards dividends; the receipt of dividends on the Philadelphia and Trenton Railroad stock held by the Joint Companies, and receipts from certain extraneous sources; and also in the payment of interest on loans, the payment of dividends, and for extraneous purposes. All of which are shown year by year in the two foregoing tables.

Table 7, shows in the first column the net earnings of the Railroad Company, after paying current expenses; the second column shows the dividends received upon the Philadelphia and Trenton Railroad stock; the third column shows the receipts from extraneous sources; the fourth column shows the receipts from the treasurer of the Canal, towards dividends; and the last column shows the total receipts by the treasurer of the Railroad.

The other table shows the extraneous disbursements, payments of interest, payments of dividends, total payments, balance on hand of each year's business, and the balance on hand after being added to or subtracted from the balance of the preceding year.

Both tables commence with the year 1833, (in which year is also comprised the business of 1832,) and show in the main the operations of each succeeding year to 1848, inclusive. Up to 1840, the treasurer kept a separate account of receipts and expenditures, called a construction account, which appears to have been laid before the stockholders at that time, and a balance found due the treasurer of one hundred and seventy thousand and twenty-five dollars and fifty cents on this account. At this time there was also a balance due from him to the Company on his "traveling account," as it is called, of one hundred and forty-six thousand eight hundred and twenty-three dollars and twelve cents; which, being deducted from the balance due him on the construction account, left standing to his credit the sum of twenty-three thousand two hundred and two dollars and sixty-eight cents, which amount, after the said settlement, was placed to his credit in his regular or traveling account. The construction account

was at that time closed, although afterwards re-opened in another form.

The Commissioners examined into the character of the extra-neous disbursements, and are satisfied with their correctness. It will be observed that, in the year 1835, the amount is large. This is owing to the fact, that in that year the sum of one hundred and thirty-one thousand and seventy-one dollars and twenty-nine cents was paid by the treasurer, or rather transferred to the construction account, which account received a corresponding credit therefor. This, it appears, was done by resolution of the board of directors.

For the year 1839, the amount in the same column is also large. This is owing to the fact, that in that year the construction and traveling accounts were adjusted, as before stated, and the corresponding entries made.

The column of payments of interest comprises all the payments made for interest, (so far as the treasurer's accounts show,) up to January 1, 1849.

The column under head of payments of dividends, shows the whole of the dividends declared and paid by the Joint Companies up to the same period.

The last column of the table of receipts shows that the whole receipts of the treasurer of the Railroad, up to January 1, 1849, amounted to the sum of

\$7,255,031.38

And the whole disbursements to

7,201,216.80

Leaving in his hands, Jan. 1, 1849, the sum of

\$53,814.58

Which balance agrees with the treasurer's book.

Receipts and Disbursements of Canal.

The following table, No. 9, shows the whole amount of receipts and expenditures of the Canal Company, from its organization to January 1, 1849. It is particularly explained by the remarks which follow it.

TABLE IX.

Statement of the Receipts and Disbursements, Dividends and net Balances of Cash unexpended, at the end of each fiscal year, of the Delaware and Raritan Canal Company, from the Organization of said Company, in the year 1830, to the 1st day of January, A. D. 1849.

	Current Receipts.			Capital, Loans, and other Receipts.	Total Receipts.	Disbursements.	Dividends.	Total Disbursements and Payments.	Balance on hand at the end of each fiscal year.
	Tolls.	Rents and other Sources.	Total Current.						
1830	.....	.....	.....	Capital. ....	.....	.....	.....	.....	Due from C. & A. R. Co \$18,293 86
1831	.....	.....	.....	\$1,496,000 00	.....	\$2,844,238 08	.....	.....	Cash.
1832	.....	.....	.....	Loans, ....	.....	Bal R. R. Co. ....	.....	.....	Notes unpaid. \$1,910 00
1833	.....	.....	.....	.....	.....	18,293 86	.....	.....
1834	\$11,604 19	.....	\$11,604 19	.....	.....	49,243 74	.....	.....
1835	47,141 92	.....	47,141 92	Balance due from C. & A. R. Co. ....	.....	34,764 89	.....	.....
1836	54,801 22	.....	54,801 22	.....	.....	27,079 21	.....	.....
1837	67,194 26	.....	67,194 26	.....	.....	46,007 72	.....	.....
1838	63,035 01	.....	63,035 01	.....	.....	53,248 86	46,000 00	\$3,118,876 36	\$12,588 77
1839	63,119 25	\$5,165 13	68,304 38	.....	3,151,668 99	.....	.....	.....
1840	300,895 85	5,185 13	312,080 98	2,839,588 01	3,151,668 99	3,072,876 36	46,000 00	3,118,876 36	7,903 95
1841	67,992 56	1,898 66	69,891 22	6,968 21	76,859 43	42,845 93	38,698 32	81,544 25	38,227 16
1842	79,378 76	4,577 28	83,956 04	5,800 00	89,756 04	59,432 83	.....	59,432 83	51,647 77
1843	87,206 77	3,147 98	90,354 75	1,730 00	92,084 75	58,064 14	20,000 00	78,664 14	47,979 35
1844	100,543 40	3,285 88	103,829 23	566 76	104,396 00	58,064 42	50,000 00	108,064 42	45,606 36
1845	131,246 71	1,431 00	132,677 71	1,107 23	133,784 94	46,157 93	99,000 00	136,157 93	36,740 95
1846	166,540 68	1,271 00	167,811 68	500 00	168,311 68	62,177 09	115,000 00	177,177 09	26,978 38
1847	160,132 61	1,893 73	162,026 34	695 45	162,721 79	102,484 38	70,000 00	172,484 38	30,253 49
1848	253,106 34	2,057 74	255,254 08	1,626 45	256,880 53	168,605 40	85,000 00	253,605 40	46,388 54
1849	225,513 87	2,574 41	228,088 28	1,043 00	229,131 28	192,996 23	20,000 00	212,996 23	
	\$1,578,647 55	\$27,332 76	\$1,605,970 31	\$2,859,625 11	\$4,465,595 43	\$3,864,304 71	\$534,698 32	\$4,399,003 03	

Explanation of table 9, of the receipts, payments and balances of the Delaware and Raritan Canal Company.

1st. The table gives a detailed statement, as far as practicable, of the pecuniary transactions of the Company, from its organization in 1830, to January 1, 1840, when a general statement and settlement of all previous transactions was made by the board of directors, and the cost of construction was ascertained.

The first column contains the date ; the second, third and fourth the current receipts, designated as tolls, rents, and other sources, and total current ; fifth, receipts from capital loans, and other receipts ; the receipts from capital, and loans being each carried into the table in one sum for the whole period, from 1830 to 1840. The sixth column contains the whole amount of receipts from all sources for the same period in one sum. The seventh column contains the whole amount of disbursements for construction for the whole period in one sum, the amount due from the Camden and Amboy Railroad and Transportation Company, and the current disbursements for each year after the opening of the navigation on the Canal, as nearly as they can be assigned to each year. The eighth column contains the amount paid for dividends, and when paid. The ninth column contains the amount paid for construction, current disbursements and dividends prior to 1840, in one sum ; and the tenth column contains the balances unexpended on the first day of January, 1840, and the kind of funds of which they consist.

For the period after January 1, 1840, the table shows the date, tolls, other current receipts, total current receipts from rent and other sources, total receipts, disbursements of all kinds, dividends, total disbursements and payments, and the balances unappropriated at the end of each year, for each fiscal year up to January 1, 1849, in the order above mentioned. The balances for each year after 1839 are ascertained by adding the cash balance for the previous year to the receipts of all kinds for the current year, and deducting the sum of all the disbursements and payments for the current year therefrom ; but in ascertaining the balances, the sums of eighteen thousand two hundred and ninety-three dollars and eighty-six cents, due from the Camden and Amboy Railroad

and Transportation Company, and the sum of one thousand nine hundred and ten dollars for unpaid notes are not carried forward; all subsequent receipts from those sources are carried into the column of receipts from other sources, for the year in which they were received.

The item of two million eight hundred and forty-four thousand two hundred and thirty-eight dollars and eight cents, for cost of construction in column seven, is one hundred and thirty-five dollars and five cents more than the amount reported by the directors in their statement of 1840, which is owing to a disagreement between the accounts of the secretary and treasurer and loan agent of the Company; the accounts of the secretary being those by which the statement was made, and makes the amount received from loans three hundred and eighty-seven dollars and thirty-five cents too small, and the cash balance, January 1st, 1840, two hundred and fifty-four dollars and thirty cents too small; the difference between which makes the above difference in the cost of construction. The Commissioners, not having examined the cost of construction, have not as yet been able to ascertain the cause of the disagreement between the accounts.

The sum of eighteen thousand two hundred and ninety-three dollars and eighty-six cents in the columns of receipts, disbursements and balances, as due from the Camden and Amboy Railroad and Transportation Company, is an amount due from said Company to the Delaware and Raritan Canal Company, for iron, timber and real estate, sold to the former Company by the latter, and the interest of the two Companies being the same, is not carried forward with the cash balance; five thousand dollars, however, of said sum was paid to the Canal Company in 1841, and carried into the column of receipts from other sources for that year.

Of the disbursements entered in the column of disbursements from the first of January, 1840, to first of January, 1849, one hundred and ninety-two thousand three hundred and eleven dollars and eighty-eight cents is charged to capital. Said sum has not been placed in a separate column, showing the amount for each year, because it would have required considerable labor to

select the items from the several accounts of disbursements, and would show no result which is not as satisfactorily shown by a mere statement of the amount.

The last balance in the column of balances, forty-six thousand three hundred and eighty-eight dollars and fifty-four cents, is the true balance of cash on hand, January 1st, 1849, and agrees with the treasurer's books.

The table is arranged to correspond with the business, or fiscal year, as the accounts are kept on the Company's books, running from the 30th of November in one year, to the 1st day of December in the next, until 1844, after the beginning of which year the fiscal year corresponds with the civil year; the disbursements of December, 1839, are included in the accounts for 1839, so as to include all previous disbursements in the settlement of 1840; and the accounts of receipts and disbursements for 1843, include the months of December for both 1842 and 1843.

The items contained in the table have all been ascertained by the Commissioners, by the examination of the books of the Company, and a comparison of as many of the original vouchers with the books, as they deemed requisite to verify the books, with the exception that the cost of construction was ascertained by adding the whole amount of the original receipts of the Company prior to 1840, together, and deducting therefrom the sum of all the payments for other purposes besides construction, and the balances unexpended on the 1st day of January, 1840, therefrom; the Commissioners not being able for want of time, as already stated, to enter into a detailed examination of the cost of construction.

The item of one million four hundred and ninety-six thousand dollars in the fifth column of receipts from capital, is the whole capital stock of the Canal Company, with the exception of four thousand dollars, which was paid in in 1840, and carried into the column of receipts from other sources for that year.

The sums entered in the annexed table as paid for dividends, were paid to the treasurer of the Camden and Amboy Railroad and Transportation Company, who acts as agent for the payment of the dividends of the Joint Companies to the stockholders.

The following table shows the cash balance in the hands of the

treasurers of both Railroad and Canal, at the end of each year, as well as the amount on hand belonging to the Joint Companies at the same period of time. It will be observed that for several years, no amount is set down in the table as in the hands of the treasurer of the Canal for those years. This is owing to the fact that up to 1840, the treasurer of the Canal kept the accounts of construction and the accounts for current receipts and expenditures together; and the balance of net earnings could not be well ascertained. But at the close of 1839, a settlement of the construction account took place, as already stated; after which the balance of cash on hand at the close of each year appears in the table.

TABLE X.

Showing year by year the net balance in the hands of the Treasurer of each Company, and also the whole balance on hand belonging to the Joint Companies.

Year.	Net balance in hands of Treasurer of Rail- road.	Net balance in the hands of Treasurer of Ca- nal.	Net balance on hand belonging to the Joint Companies.
	Dollars. Cents.	Dollars. Cents.	Dollars. Cents.
1833	32,959.06	.....	32,959.06
1834	108,736.88	.....	108,736.88
1835	25,755.77	.....	25,755.77
1836	5,225.24	.....	5,225.24
1837	692.60	.....	692.60
1838	23,353.60	.....	23,353.60
1839	Minus .30	12,588.77	12,589.07
1840	15,863.15	7,903.95	23,777.10
1841	43,247.09	38,227.16	81,474.25
1842	31,725.06	51,647.77	83,372.83
1843	78,898.09	47,979.35	126,877.44
1844	115,315.62	45,606.36	160,921.98
1845	94,260.71	36,740.95	131,001.66
1846	107,141.05	26,978.38	134,119.43
1847	75,618.07	30,253.49	105,871.56
1848	53,814.58	46,388.54	100,203.12

Steam Towing.

In the year 1835, the Joint Companies established a line of steamboats for the purpose of towing vessels between the entrances of the Canal and the cities of New York and Philadelphia, and intermediate points. Three steamboats were employed in this branch of business in the year 1835, and the number was increased with the increase of transportation on the Canal to eight or ten. Most of the boats employed were owned by the Joint Companies, but occasionally boats belonging to other persons were chartered for that purpose.

When the line of tug-boats was first established, the New Brunswick Steamboat and Canal Transportation Company was largely connected with the Joint Companies in business through the Canal and over the Railroad, and had an office for the transaction of their business in New York, at which their general book-keeper and several of their officers and agents were stationed; they also had an agent in Philadelphia. The Joint Companies made an arrangement with the said New Brunswick Company, by the terms of which the officers of the latter Company at New York, took charge of the tug-boats belonging to and furnished by the Joint Companies, received their earnings, paid all their current disbursements, chartered additional boats when required, repaired the boats in winter, preparatory to the next year's business, and paid the expenses out of the receipts for towing; and at the end of the year struck the balance of the current account, which they carried to the debit or credit of the Joint Companies. The balances were struck without taking into consideration any of the credits made to the New Brunswick Company, in the general settlement of the whole business made in 1846, which will be hereinafter noticed.

The disbursements were generally made by William T. Anderson, at New York; and some of them by Abraham S. Neilson, at New Brunswick; and at Philadelphia, by William H. Gatzmer. The earnings were received by different persons at Fairmount, Philadelphia, Princeton, New Brunswick and New York, all acting in this respect as agents of the New Brunswick Company; and the accounts of the towing being kept in the general books of the latter Company.

The business was conducted in the same manner until the 1st

of May, 1846, when the Joint Companies took charge of the tow-boats and put this department in charge of their principal agent in New York, under whose management it continued until September 1st, 1848, when an association was formed between the Joint Companies and George W. Aspinwall, of Philadelphia, for conducting said business in partnership; each furnishing one half of the tow-boats required, and running the hazards of their loss. The earnings of the boats were received as a common fund; all expenses, charges and damages, paid out of the same, and each party received one half of the net profits, or paid one half of the net losses, and each party having an equal share in the direction of the business, which was managed by Mr. Aspinwall for himself, and William H. Gatzmer for the Joint Companies. This association still continues.

Our attention was particularly directed to this branch of the business of the Joint Companies, by the ninth charge, "That a large portion of the earnings of the machinery of the Company has never reached the Company's treasury." We, therefore, examined this subject very minutely. Having examined every original voucher for disbursements made while the business was managed by the New Brunswick Company, and compared them with the entries in the books, and also examined the accounts of receipts for the same periods, and traced them through their several entries until we ascertained the net balance for each year from 1835 to May 1st, 1846, inclusive; and likewise, after the New Brunswick Company ceased to have charge of the business, from May 1st, 1846, to January 1st, 1848. We also examined William T. Anderson, the principal book-keeper of the New Brunswick Company, and William H. Gatzmer, as witnesses, in relation to this subject, who fully detailed the manner in which it had been conducted. The vouchers and accounts of receipts all agree with the entries in the books, with the exception of some slight errors, which all appear to have been afterwards corrected for the whole period from January 1st, 1835, to January 1st, 1848. The disbursements all appear to have been made for objects properly connected with the business, and as far as can be discovered from the books or the testimony, the receipts have been properly accounted for.

The New Brunswick Company appear to have acted merely

as the agents of the Joint Companies in the management of the steam towing. We cannot ascertain whether any compensation, to be paid the former Company for taking charge of it, was fixed upon in advance; neither Mr. Anderson nor Mr. Gatzmer have any recollection of hearing of any during their connection with the business, and the presumption is that no compensation was then agreed upon. Mr. Anderson testified that the books examined by us, contained true accounts of all the receipts and disbursements for steam towing; while he kept them, from 1837 until the Joint Companies took charge of the business, May 1st, 1846; and that all the steam towing done for the New Brunswick Company, or any other Company, or for individuals, was properly charged and accounted for to the best of his knowledge. Mr. Gatzmer also testified that the New Brunswick Company charged themselves with all the towing done by the tug-boats for them at fair prices. The New Brunswick Company ceased to have charge of the steam towing, May 1, 1846, as before stated. In October, 1846, a settlement of the business was made for the whole period while it was managed by the Company, by Mr. Gatzmer and Mr. Anderson, with the approbation of Edwin A. Stevens, the superintendent of the Camden and Amboy Railroad Company.

The proceeds of the business during that period will appear by the annexed statement of that settlement. The balances therein stated due from and to the Joint Companies, agree with our investigation.

The balance due the Joint Companies for net gain by steam towing in

1836,	was	\$5,350.50
1837,	"	8,289.51
1838,	"	7,031.90
1839,	"	16,215.57
1840,	"	18,816.96
1841,	"	13,542.01
1842,	"	8,804.69
1843,	"	24,670.26
1844,	"	7,543.72
1845,	"	4,313.67
1846, (amount received by New Brunswick Company,)		1,325.09
		<hr/>
		\$115,903.88

Amount brought forward,	\$115,903.88
Deduct loss on steam towing in 1835,	2,359.46
	<hr/>
	\$113,544.42

Paid by the New Brunswick Company to Camden and Amboy Company, De- cember 1, 1843,	\$27,851.67
Paid by the New Brunswick Company to Camden and Amboy Company, De- cember 31, 1844,	10,000.00
Paid by the New Brunswick Company to Camden and Amboy Company, De- cember 31, 1845,	11,442.00
	<hr/>
	49,293.67
	<hr/>
Balance,	\$64,250.75

At this settlement the following credits were made by
the Joint Companies to the New Brunswick Com-
pany:

One half of general expenses from 1836 to 1845,	\$10,926.77
Balance of rent account, 1839, . . .	2,874.19
Steamboat charters, 1845,	1,825.62
One half rent of office, 1843,	75.00
One half salaries, freight barge account, 1843 to 1845,	1,256.66
One half general expenses from January 1 to May 1, 1846,	323.99
One half salaries from January 1 to May 1, 1846,	216.66
Amount paid for repairs of steamboats, from 1st January to May 1, 1846,	23,315.92
Wharfage paid by A. S. Neilson, in 1842,	500.00
“ “ “ “ “ 1846,	500.00
Charter of steamboat Hornet from August, 1841, to August, 1846,	17,000.00
	<hr/>
	58,814.81
	<hr/>
Balance due the Joint Companies, which was paid in cash,	\$5,435.94

Mr. Anderson testified that he considered that all those credits were fairly made to the New Brunswick Company, on the steam towing account; that the duties required of the clerks in the general office of the New Brunswick Company, on account of the steam towing, were fully equal to the duties required of them by the affairs of the Company; and that, therefore, one half of the items of general expenses and salaries should be charged to steam towing; that the items of balance of rent account, rent and wharfage, and charter of steamboats, were proper charges to the steam towing, and to that account alone; that the credit of twenty-three thousand three hundred and fifteen dollars and ninety-two cents, for repairs of steamboats in 1846, was for repairing the steam tow-boats, preparatory for the business of 1846; that the credit of seventeen thousand dollars was for charter of the steamboat *Hornet*, which belonged to the New Brunswick Company, and was used as a tow-boat; and that none of these credits had been previously made to the New Brunswick Company.

The testimony of Mr. Gatzmer was to the same effect, with regard to several of the facts of which he was cognizant; and he also testified that he considered the price paid for the charter of the *Hornet* a fair one; that according to his judgment, the business of steam towing had been as economically managed as if the Joint Companies had employed clerks to attend to it in an office of their own; and that from his knowledge of the affairs of the Joint Companies, the steam tow-boats were never looked to as a source of profit, but were established to render the communication with the Canal complete.

The price charged to the New Brunswick Company for towing the barges of the Merchants' Line, was fifty dollars per barge, on both the Delaware and Raritan rivers, from 1836 to 1842; thirty-six dollars and sixty-six cents from 1843 to 1848; and twenty-five dollars in 1849. And for towing the barges of the Swiftsure Line fifty dollars, in both rivers, in 1838; forty-one dollars and sixty cents in 1840; thirty-three dollars and thirty-three cents from 1840 to 1848; and twenty-five dollars in 1849.

Light barges of both lines generally paid one half of the above rates.

The price charged for towing the coal barges of the New

Brunswick Company, was fifty dollars on both rivers. These barges carried from one hundred and fifty to two hundred tons. The price charged was nearly the same as that charged to transient vessels.

The amount charged for towing the barges of the Merchants' and Swiftsure Lines, and the coal barges employed by the New Brunswick Company, from 1835 to 1849, inclusive, was two hundred and seventy-nine thousand two hundred and fifty-eight dollars and twenty-two cents.

The prices charged for vessels carrying coal, varied at different times; in 1846 and 1847, it was thirty cents per ton from Philadelphia to New York, and twenty-five cents per ton from Bristol to New York; the rates have since been somewhat lower.

From the testimony it appears that the New Brunswick Company did not receive any compensation for the management of the steam towing, except the payment of clerk hire, salaries and office expenses, before mentioned, incidental to the business. It will be seen, however, by the statement of the settlement made in 1846, that the several balances of profits remained in the hands of that Company, until December 1, 1843, before any payment was made to the Joint Companies; and that some advantage might have been derived from the use of the money. Mr. Gatzmer testifies that a portion of those balances remained in his hands, as he understood, subject to the draft of the treasurer of either Company, as he acted in the capacity of agent of both Companies at the same time, and that no use was made by the New Brunswick Company of the money in his hands.

The operations of this department from May 1, 1846, to January 1, 1848, require no special notice; the vouchers agree with the accounts, and the disbursements appear to be made for objects properly appertaining to the business. From our investigation, this branch appears not to have been profitable to the Joint Companies at any time; but the employment of a regular line of steam tow-boats, owned either by the Companies or individuals, appears to be absolutely required for the successful prosecution of business through the Canal.

A more full detail of the manner of transacting the business will be found in the testimony of Mr. Anderson and Mr. Gatzmer.

The whole amount of the net earnings of the steam tow-boats from 1835 to May 1, 1846, while they were in charge of the New Brunswick Company, was fifty-four thousand four hundred and eight dollars and seventy-eight cents ; all which has been paid to the Joint Companies.

The net earnings from May 1, 1846, to January 1, 1849, were forty-thousand nine hundred and sixty-four dollars and eighty-two cents, which sum has also been properly accounted for.

TWELFTH CHARGE.

“ That the statements furnished to the State Directors were fabricated for a purpose and cannot represent any state of things standing, or that should stand, on the Company’s books.”

Whether or not any statements, fabricated or otherwise, have been furnished to the State Directors, we have not considered it our duty to inquire. The charge, as it appears to us, has no connection with nor bearing upon the important facts intended to be elicited by this investigation. We have endeavored in this report to show what those facts really are, and how they appear upon the books of the Companies. They cannot in any way be affected or changed by former statements or reports. It is due to truth to say that we discovered nothing during the investigation, going to show that any fabricated statements had been furnished to the State Directors. We pass the above charge, therefore, without further notice.

Having disposed of the specific charges, we will now give the results of our examination of some of the special contracts of the Joint Companies, and other matters in which the state may be considered as interested. In doing this we may perhaps be compelled to repeat some matters which already appear in the report. We shall endeavor, as far as may be practicable, to avoid doing so, as we are sensible that the report is already more extended than it should be.

In June last, the Commissioners called for copies of all special contracts and agreements of the Joint Companies with other Companies and individuals, with a statement in writing of their views and reasons for making and entering into such contracts and

agreements, inasmuch as this was a point of investigation particularly pointed out and directed in the resolution originating the commission.

In answer to that call, we were furnished, from time to time, with the original contracts, and also with several written statements, purporting to give the facts and the views of the Companies in reference to several of the contracts and arrangements with other Companies. Some of these communications will be found in the appendix to this report; they will also be referred to as occasion may require, in the further remarks we may make.

Loans of the Joint Companies.

Four loans have been made by the Companies since their union, for the purpose of raising funds for the construction of their works and for the purchase of stock in the Philadelphia and Trenton Railroad, besides an issue of bonds, in the nature of a loan, made in 1840.

The first loan made by the Companies was one of eight hundred thousand dollars in 1833, at six per cent. interest, payable semi-annually on the first day of January and the first day of July, and redeemable in 1863. Certificates of this loan, amounting to two hundred and forty-eight thousand dollars, were purchased back by the Companies in 1834, and resold in 1837-'8 and '9, during the construction of the branch road. The net amount received for the sale and resale of the certificates of this loan was eight hundred and thirty-two thousand five hundred and thirteen dollars and twenty-seven cents.

The second loan was an English loan of two hundred and ten thousand pounds sterling, made in 1834, at five per cent. interest, payable in London, on the first day of February and the first day of August, redeemable in 1864. The amount realized by the Company upon the loan was nine hundred and seventy-eight thousand two hundred and three dollars and seventy-three cents.

The third loan was for two hundred and twenty-five thousand pounds sterling, made in London in 1837, at six per cent. interest, payable semi-annually, and redeemable in 1864. This loan was made for the purpose of constructing the branch road from Bor-

dentown to New Brunswick. The amount realized by the Companies upon this loan was one million twenty-three thousand four hundred and ninety-eight dollars and thirty-seven cents.

The fourth loan was made in 1840, by the issue of bonds for one hundred and eighty-five thousand five hundred pounds sterling, bearing interest at five per cent., payable semi-annually on the first of February and first of August, redeemable in 1863. The amount received by the Companies for this loan was eight hundred and twenty-four thousand four hundred and forty-four dollars and forty-four cents. The whole of which sum was paid for the purchase of five thousand five hundred shares of the stock of the Philadelphia and Trenton Railroad at one hundred and fifty dollars per share.

The bonds of the Joint Companies for three hundred and sixty-six thousand nine hundred and seventy-six dollars, bearing six per cent. interest, payable semi-annually on the first of March and September, redeemable in 1864, were issued in 1840, for the purpose of paying to the stockholders of the Joint Companies, and the Philadelphia and Trenton Railroad Company, an extra dividend of a part of the earnings of the Joint Companies, which had been expended in constructing the works.

The aforesaid bonds were disposed of in the following manner :

Delivered to the stockholders of the Joint Companies, including the state, being eight and a half per cent. on stock,	\$255,000
To stockholders of Philadelphia and Trenton Rail- road Company, three per cent. on nine thousand nine hundred and ninety-two shares of stock,	29,976
Lent to Camden Ferry Company,	37,500
Lent in 1849, to the New Brunswick Steamboat and Canal Transportation Company,	14,000
Sold by Joint Companies in 1849,	16,000
Still in hand of Joint Companies, not issued,	14,500
	<hr/>
	\$366,976
	<hr/>

The nominal amount of the bonds of the Joint Companies outstanding and unpaid, is as follows :

1. American loan,	\$800,000.00
2. English loan of £210,000 sterling,	933,333.33
3. " " of £225,000 sterling,	1,000,000.00
4. Sterling loan of £185,500,	824,444.44
5. Bonds issued in 1840,	352,476.00
Total,	<u>\$3,910,253.77</u>

The above calculation of the amount of loans, is made by estimating the dollar at the nominal rate of four shillings and six-pence sterling.

The actual amounts received by the Companies for the loans made by them, are as follows :

1. For American loan,	\$832,513.27
2. " English loan of £210,000,	978,204.73
3. " " of £225,000,	1,023,498.37
4. " Sterling loan of £185,500,	824,444.44
5. " Bonds issued in 1840,	351,954.75
	<u>\$4,010,615.56</u>

The proceeds of said loans appear by the books of the Companies to have been disposed of as follows:

Expended in the construction of Railroad,	\$1,379,951.33
" " " of Canal,	1,325,294.15
" in carrying on the coal trade,	117,000.00
Paid for five thousand five hundred shares Philadelphia and Trenton Railroad stock,	824,444.44
Divided among stockholders of Joint Companies,	255,000.00
" " " of Philadelphia and Trenton Railroad Company,	29,976.00
Loaned to Camden Ferry Company, (since paid,)	37,500.00
" to New Brunswick Steamboat and Canal Transportation Company,	14,000.00
Received for bonds sold in 1849, for expense on account of Belvidere Delaware Railroad,	15,478.75
Expenses of making loans in England,	11,970.89
	<u>\$4,010,615.56</u>

The one hundred and seventeen thousand dollars employed in the coal trade, was expended in building boats and mining coal and carrying it to market, and the other expenses connected with the business, the proceeds of which were carried to the credit of the Companies, by the treasurer of the Railroad Company. This subject is more fully explained in another part of the report.

The loan made to the Camden Ferry Company has since been paid, and the amount and interest carried to the credit of the Railroad Company by the treasurer.

The loan of bonds to the New Brunswick Steamboat and Canal Transportation Company is still unpaid.

The proceeds of the bonds sold in 1849, are retained as we are informed, as a fund to pay the expenses of surveys, &c., on the line of the Belyvidere Delaware Railroad.

Contracts with and Interest in the Philadelphia and Trenton Railroad.

The large interest which the Joint Companies have in the Philadelphia and Trenton Railroad Company as stockholders, as already appears by this report, in addition to the very intimate relations existing between them by contract, requires a more particular notice than we have yet given to that subject.

For several years past, the Joint Companies have held five thousand five hundred shares of the stock of the Philadelphia and Trenton Railroad, being a majority of the capital stock of the Company. And by contracts now in force between the Companies, their interests are very closely allied.

The Philadelphia and Trenton Railroad Company was chartered by an act of the legislature of Pennsylvania, approved February 23d, 1832, with a proviso attached to the last section, that the state may, at any time after the expiration of thirty years, have the privilege of purchasing the entire interest and property of the said corporation, at a just and reasonable valuation or appraisement, to be made in such manner as may at any time hereafter be provided for by law.

By the charter, the Company were limited to a charge of three

cents toll per mile for passengers, and five cents per ton per mile for merchandize.

The act further provided, that the capital stock should not exceed one million of dollars, nor the dividends twelve per cent. per annum ; and further, that whenever the dividends shall exceed six per cent. per annum, the said Company shall pay a tax of eight per cent. on all such dividends above six per cent. into the treasury of the state, for the use of the commonwealth.

The road was constructed in pursuance of the charter, with a single track from Kensington to Morrisville. It is a matter of history; that the Company soon made the effort to extend their road across the state of New Jersey, so as to form another railroad communication between Philadelphia and New York.

It would appear that the legislature of Pennsylvania favored this project ; and to assist the Company in effecting it, the following supplement to the charter was passed early in the year 1835. As the act is short, we will insert it at length :

“SUPPLEMENT to an act entitled ‘ An Act authorizing the Governor to incorporate the Philadelphia and Trenton Railroad Company.

“Sec. 1. Be it enacted by the Senate and House of Representatives of the commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same, That the Philadelphia and Trenton Railroad Company be and they are hereby authorized and empowered to purchase, acquire, and hold such and so many shares in the capital stock of any railroad, bridge or canal company or other company, whether the same be incorporated by the laws of the state of Pennsylvania or any other of the United States, as may be necessary to complete a communication by railroad and steamboat to the city of New York, and the same again to sell and dispose of at their pleasure, and for that purpose to apply and use the corporate funds ; or if need be, to borrow money from such person or persons, and upon such terms as to them may seem expedient ; provided, that after five years from the date of the passage of this act, the said Company shall not be authorized to purchase any stock as aforesaid ; and that nothing herein contained shall be construed so as to enable the said Company to purchase or hold

bank stock, or to have, or in any manner exercise banking privileges.

“OFFICE OF THE CLERK OF SENATE, }
Harrisburg, March 18th, 1835. }

“I certify the above to be a copy of an act passed by both branches of the legislature.

H. BUEHLER, *Clerk.*”

By virtue of this supplement to their charter, the Philadelphia and Trenton Railroad Company purchased a majority of the stock of the straight turnpike, running between Trenton and New Brunswick, and thus secured the control of that road. They soon commenced active preparations for converting the turnpike into a railroad. They also applied to the legislature of New Jersey, for a recognition of their project, and for aid in carrying it out; and they were heard by counsel in support of the application. The legislature refused to pass the bill they applied for. The records of our Court of Chancery show that the Joint Companies, from apprehension of the prospective opposition, or from some other cause, then applied to the Chancellor for an injunction restraining the Turnpike Company from laying rails up their road.

The question was argued before the Court; but before the opinion was given, the difficulties between the rival companies were settled for the time, by the action of some of the most prominent stockholders of the Joint Companies. By the purchase of a majority of the stock, they secured the control of the operations of the Philadelphia and Trenton Railroad Company, and thus saved the necessity of a decision of the question argued before the Chancellor.

For aught that appeared before us in evidence, it seems that this purchase was made by those gentlemen upon their own individual responsibility. We find nothing in the minutes of the proceedings of the joint board, or of the executive committee, going to show that the purchase was made with their assent, privity, or recommendation; nor do the minutes show any approbation or recognition of the purchase after it was made. The minutes do show that, for several years afterwards, the board of directors of the Joint Companies refused to have anything to do with this

stock, or to take any part of it off the hands of the original purchasers. Captain Robert F. Stockton was the principal actor in the purchase of the stock; Messrs. Robert L. and Edwin A. Stevens became associated with him.

The project of converting the straight turnpike into a railroad, was no further prosecuted after this purchase of stock. The fair presumption therefore is, that the inducement to make the purchase was to avert the threatened opposition to the Camden and Amboy Railroad, by means of the turnpike.

Had the Philadelphia and Trenton Railroad Company succeeded in their effort to convert the turnpike into a railroad, in connection with their road to Philadelphia, it is obvious that a most serious opposition to the Camden and Amboy road would have been the consequence.

The proprietors of the new road would not have been liable to any transit duty to the state, except by their own consent; and thus the revenues of the state derived from transit duties, and dividends on her stock in the Joint Companies, might have been seriously affected.

Whether or not such an opposition would in reality have arisen, if the stock had not been purchased, we cannot now determine. Speculations upon the subject are of no value. Had a rival road been created in the way proposed, through the central part of the state, we can very well imagine what would have been the effect of it.

The danger appeared imminent at the time; and from the evidence before us, it would seem that to avert or guard against it, was the only inducement the gentlemen above named had to purchase the control of the Philadelphia and Trenton Railroad Company. They held the whole of the stock so purchased until the year 1840.

Prior to this purchase of stock, a strong opposition had been going on between the Philadelphia and Trenton Railroad Company and the Joint Companies, in the transportation of passengers between Philadelphia and Trenton, and intermediate points.

It would appear that the stockholders of the Joint Companies viewed this actual opposition, in connection with the operations

going on upon the straight turnpike, as highly injurious to their interests.

Upon this subject we find entered in the minutes of the joint board, in the autumn of 1835, a communication signed by thirty-one gentlemen, owning a large majority of the stock of the Joint Companies, of which the following is a copy, viz :

“ The undersigned stockholders of the Delaware and Raritan Canal and the Camden and Amboy Railroad and Transportation Companies, do hereby request, authorize and direct the directors of the Joint Companies to take such measures as they may deem most expedient to put an end to the opposition which has been going on for so long a time, by the Philadelphia and Trenton Railroad Company against the Camden and Amboy Railroad, either by an amalgamation or consolidation of the said stocks, or any other arrangement which they may consider most advantageous to the interests of the Joint Companies.”

Dated, October 7, 1835.

A written agreement between the joint board and the directors of the Philadelphia and Trenton Railroad, dated November 1st, 1835, was laid before us. It is also entered at length in the minutes. The object of the agreement appears to have been to put an end to the rivalry and opposition which had been going on for some time between the parties. It was thereby agreed that all the passengers by the Philadelphia and Trenton Railroad should be carried in coaches between the Trenton Delaware bridge and the Sand Hills in Burlington county, and thence to and from New York, by the railroad and steamboats of the Joint Companies. The Philadelphia and Trenton Railroad Company were to pay the Joint Companies two dollars for each passenger thus carried. Merchandise to and from New York was to be carried by the same route, at eight cents per ton per mile.

It was further mutually agreed that the parties would not enter into a ruinous competition in the transportation of passengers between Trenton and Philadelphia, and the intermediate places, by charging less than a fair compensation, to be fixed in conformity with the charters of the respective companies. On the second day of April, A. D. 1836, a second contract and agreement was made and entered into between the same parties,

executed by the presidents of the three companies, with the respective corporate seals attached. This contract was laid before us, and we also found it entered at large in the minutes.

The following extracts from it contain all the material matters which it appears necessary to present in this report:

“Whereas, by a certain writing made, entered into and signed by the stockholders of the Delaware and Raritan Canal and the Camden and Amboy Railroad and Transportation Companies, the directors of the said Companies were requested, authorized and directed to take such measures as they might deem most expedient to put an end to the opposition which had been going on for so long a time by the Philadelphia and Trenton Railroad Company against the Camden and Amboy Railroad, either by an amalgamation or consolidation of the said stocks, or any other arrangement which they might consider more advantageous to the interests of the Joint Companies aforesaid, as by the said writing, bearing date the seventh day of October, one thousand eight hundred and thirty-five, will appear.

“And whereas, the said directors of the said Companies, in pursuance of the said request, authority and direction, did enter into an agreement with the said Philadelphia and Trenton Railroad Company, which is entered on the minutes of the said joint boards, as will appear by their minutes of the eleventh of November, 1835. To the end, therefore, that the object of the said stockholders may be carried into full effect, and be made perpetually binding and obligatory upon the parties respectively:

“Now this indenture, made this twenty-second day of April, in the year of our Lord one thousand eight hundred and thirty-six, between the president and directors of the Delaware and Raritan Canal and the Camden and Amboy Railroad and Transportation Companies, parties of the one part, and the president and directors of the Philadelphia and Trenton Railroad Company, party of the other part, witnesseth, that the said parties, for themselves and their successors severally, do hereby covenant and agree, each with the other, and their and each of their successors, that from and after the first day of June next ensuing, during and until the expiration of their said charters respectively, the clear profits arising from the stock of the said Companies shall be divided

among all the stockholders of the said several Companies, share and share alike. And further, it is understood and hereby agreed, that the stock of the said Companies respectively, shall be paid up in full, and that the accounts of the said Companies shall be kept separate, and the dividends of the clear profits thereof shall be made and declared separately, in the same manner as if this agreement had not been made."

This agreement remains in full force at the present time, and the foregoing provisions have been practically carried into effect.

By the act of March 15, 1837, authorizing the construction of the branch road, before cited in this report, it will be recollected that the legislature also authorized the Joint Companies to construct a spur from some point on the said branch road, in the city of Trenton, to the Delaware river, at the Trenton Delaware bridge. The manifest object was to form a connection with the Philadelphia and Trenton Railroad. The spur was built. The bridge company permitted rails to be laid upon the track of the bridge, and the connection was thus completed. We refer to this matter simply because it forms an important fact in the history of the union of the Joint Companies with the Philadelphia and Trenton Railroad Company. Whether the legislature, at that time, considered the probable effect of this connection of the two roads, upon the revenues of the state in dividends and transit duties from the Joint Companies, does not appear.

In the minutes of the Joint Board, under date of June 27, 1840, we find entered at length, a written communication from Commodore Stockton, in behalf of himself and others associated with him, as owners of a majority of the stock of the Philadelphia and Trenton Railroad, addressed to the directors of the Joint Companies. In this letter, Commodore Stockton reminds the board of directors of the earnest solicitations made to them by him, both before the Philadelphia and Trenton Railroad was finished as well as afterwards, to obtain the control of the said road, so as to prevent an opposition which he always thought would be disastrous to the interests of the United Companies. The letter then states that the board, in both instances, having declined acceding to his request, that he had himself purchased a majority of the stock upon the responsibility of a friend as well as his own, for the pur-

pose of guarding against an opposition that he believed would be ruinous to the great stake he held in the Joint Companies as the largest stockholder. He further states that he and the others connected with him, had continued to hold the stock up to that time at a sacrifice which could no longer be endured; that they had contracted a heavy debt by the purchase of the stock, which they were now obliged to discharge, and that they were compelled to part with the stock, which might thereby get into the hands of persons having no interests in common with the Joint Companies. The letter then offers the stock to the Joint Companies at what it cost, and urges upon the board the propriety and necessity of taking it in order to have in their own hands the control of the Philadelphia and Trenton Railroad, and thus prevent a possible opposition which might arise if the stock went into other hands. The board are informed that the stock is first offered to them in consequence of the great interest which the writer and those connected with him, had in the Joint Companies; and that if they decline, it will positively be sold to others, as the present holders had not the means of keeping it. In his communication, Commodore Stockton states that the stock cost one hundred and twenty-six dollars per share, cash; and that the sacrifices they had been compelled to submit to, in order to retain the stock for the security of the Joint Companies, made the cost per share, at that time, equal to one hundred and thirty dollars, cash. He then offers to sell the joint board a majority of the stock at one hundred and thirty dollars per share, cash, or at one hundred and fifty dollars per share, payable in the sterling bonds of the Joint Companies, bearing five per cent. per annum interest, at par. He adds that the sterling bonds of the Joint Companies, at five per cent. interest per annum, would probably not bring more than from eighty to eighty-five cents to the dollar.

It appears by the minutes that the following resolution was adopted by the board, viz:

“Resolved, That a committee be appointed to purchase such a number of shares as will secure a majority of the stock of the Philadelphia and Trenton Railroad Company, on the terms contained in the proposition made this day by R. F. Stockton and others, and that the sterling bonds of the Companies, bearing an

interest of five per cent. per annum, and redeemable in the year 1863, be issued by the Companies in payment thereof."

The above resolution was carried into effect, and five thousand five hundred shares of the capital stock of the Philadelphia and Trenton Railroad Company were purchased from Commodore Stockton and others, and duly transferred at one hundred and fifty dollars per share. The sterling bonds of the Companies were issued in payment, bearing an interest of five per cent. per annum, redeemable in 1863.

We did not consider it our duty to go into any evidence further than appears above as to what the stock actually cost Commodore Stockton, and the others concerned with him, inasmuch as it appears by the minutes of the joint board, as well as by the other facts within our knowledge, that the stock was originally purchased by them upon their own individual responsibility alone, without the advice or privity of the board of directors, and without any understanding that they would take the stock off their hands.

It must be remembered that the Philadelphia and Trenton Railroad stock, at the time of the said purchase by the Joint Companies, received the same dividend as the stock of the Joint Companies, under and by virtue of the contract of April 22, 1836, to equalize dividends cited above.

By a resolution of the executive committee, entered in the minutes, under date of January 11, 1842, Edwin A. Stevens, treasurer of the Camden and Amboy Railroad Company, was authorized to receive the dividends due on the stock of the Philadelphia and Trenton Railroad Company belonging to the Joint Companies, viz: five thousand five hundred shares, and that he appropriate the said dividends to the payment of the interest on the loan made for the purchase of the same.

These dividends have been regularly received and accounted for by E. A. Stevens, the treasurer of the Railroad Company. And so much of them as was necessary for that purpose, have always been appropriated to the payment of the interest upon the sterling bonds issued for the payment of the stock.

The ten thousand dollars per month paid (as before stated in this report) by the Philadelphia and Trenton Railroad Company

to the Joint Companies, for the use of steamboats, cars, &c., is paid, as appears by the testimony of William H. Gatzmer, by order of the executive committee, who act as such in reference to both Companies.

James Morrell, the secretary of the Philadelphia and Trenton Railroad Company, testified that their Company had divided eight per cent. per annum, for the last few years. An order is given on the Camden and Amboy Railroad Company, to each of the stockholders of the Philadelphia and Trenton Railroad Company, for the difference in the dividends of the two Companies. This difference has been, for some time past, two per cent. semi-annually.

The Philadelphia and Trenton Railroad Company have never made any loans, except some small temporary ones, on construction account, which were afterwards all paid. Nor do they owe any debts, except some small amounts for current expenses.

They own considerable valuable real estate in the city of Philadelphia and other places, which has been paid for out of their capital.

We have thus endeavored to give all the material facts within our knowledge, in addition to those upon the same subject, stated in a preceding part of this report, in reference to the interest of the Joint Companies in, and their connection with, the Philadelphia and Trenton Railroad.

In the appendix to this report, will be found a communication from the Joint Companies, marked statement A, in reference to the existing connection between them and the Philadelphia and Trenton Railroad Company, with their reasons for forming such connection.

Trenton Delaware Bridge.

But little need be said upon the subject above named. At this time the Joint Companies have no direct interest in the Delaware bridge at Trenton, nor connection with it, except that the spur from their branch road at Trenton, runs to the bridge and connects with the railway track upon it.

In 1834 or 1835, the Joint Companies purchased nine hundred

shares, being a majority of the stock of this bridge company. This of course gave them the control of the bridge. It was done about the same time that the Philadelphia and Trenton Railroad Company bought the straight turnpike, as hereinbefore stated. The disbursement for this stock amounted to forty-five thousand five hundred and thirty-eight dollars and ninety-one cents, as appears by the treasurer's book.

The avowed object of the purchase of the bridge shares was to get the control of the bridge, and thus prevent the use of it by the Philadelphia and Trenton Railroad Company in crossing the river and getting into New Jersey.

The Joint Companies held these bridge shares until the commencement of the year 1849, and received the dividends upon them, which were from time to time declared by the bridge company. We find those dividends regularly charged in the book of the treasurer of the Railroad Company, and accounted for by him.

In January, 1849, the Joint Companies sold the whole of these nine hundred shares of bridge stock to the Philadelphia and Trenton Railroad Company.

We find in the book of the treasurer of the Railroad Company, under date of January 31, 1849, the charge of forty-five thousand eight hundred and seventy-seven dollars and fifty-six cents, as money received by him from the Philadelphia and Trenton Railroad Company, in payment for this stock. It thus appears by the book of the treasurer, that the Joint Companies received from the Philadelphia and Trenton Railroad Company as much for the stock as it originally cost them, if not more. The excess in the amount of sale over the original cost may possibly be interest which had accrued or balance of dividends due. It does not appear, therefore, that the Joint Companies at this time, have any further interest in the bridge than what arises from their being stockholders in the Philadelphia and Trenton Railroad Company.

Contracts with the New Jersey Railroad.

The Camden and Amboy and the New Jersey Railroad Companies are jointly interested in the travel between Philadelphia

and New York, by way of the Trenton Delaware bridge, New Brunswick and Newark.

Contracts and agreements in writing were at different times entered into by the two companies for the purpose of regulating the business upon this route, and securing to each company its fair share of the emoluments. These contracts have all been submitted to us for examination.

There is nothing in the older ones, now superseded, that requires particular notice.

The agreement now in force between the two companies was made and entered into on the 1st of April, 1843, by the Joint Companies and the Philadelphia and Trenton Railroad Company as parties of the first part, and the New Jersey Railroad and Transportation Company of the second part.

By the terms of the agreement, it was to continue in force five years from its date, and thereafter unless terminated by three months' notice, in writing, given by either party. We understand no such notice has been given. The agreement, therefore, still remains in force, except in some particulars, which have been changed by mutual consent.

By the fourth article, four dollars was established as the fare for first class through passengers, and three dollars for second class ; of which the New Jersey Railroad was to receive one-fourth, and the other Companies three-fourths. This article has lately been modified by mutual consent, so as to conform to the present reduced rate of fare, which is three dollars for first class, and two dollars and fifty cents for second class passengers.

The money is still divided in the above proportion. A few changes also respecting way fares and other matters of minor importance, have been made in the contract by the like mutual consent.

By the sixteenth article of the agreement, the parties of the first part guarantee that not less than two-thirds of the whole aggregate number of through passengers, by both routes, that is, by way of Amboy and by way of New Brunswick, shall be carried by the lines by this agreement established by way of New Brunswick ; and that in case the number of passengers actually carried by said lines shall be less than said two-thirds annually,

then to pay, or cause to be paid (to the party of the second part) for such deficiency at the rate of one dollar for each first class passenger. And that on both routes four second class passengers shall be estimated as three first class passengers.

In consequence of the above guarantee, the Joint Companies, as appears by their books, have paid to the New Jersey Railroad Company, during the past year, the sum of twenty-four thousand dollars, due them under the agreement, for the excess of passengers passing on the Amboy route.

We have presented the above facts in connection with the contract in question, to the notice of the legislature, simply because the revenues of the state may be considered as affected by them; and the more especially so since the act of the legislature, approved April 18, 1846, accepting from the New Jersey Railroad Company eight cents for every dollar received from dutiable passengers, instead of eight cents for each and every passenger carried over their road.

United States Mail.

The present contract for carrying the United States Mail, commenced January 1, 1848, and was made in the name of the Philadelphia and Trenton Railroad Company; by the terms of which they agree to carry the mails between New Brunswick and Philadelphia, four times per day, for the sum of four thousand three hundred dollars per quarter, or seventeen thousand two hundred dollars per year.

One of the mails is carried over the Camden and Amboy road, by way of Camden, Bordentown and the branch road; the other three mails are carried over the Philadelphia and Trenton and the branch road.

The mail money is received by the Philadelphia and Trenton Railroad Company, out of which the Camden and Amboy Railroad Company first receive one-fourth of the whole amount; the remaining three-fourths is then divided between the two companies, according to the distance the mail is carried by each.

The government has the privilege of sending a mail agent with

the mail bags, who has a car or apartment appropriated to himself. No transit duty is paid for this branch of transportation.

Camden Ferry Company.

The Camden and Amboy Railroad Company, for the purpose of carrying out the object of their charter, were required by the seventh section thereof, to provide suitable steam or other vessels, at either extremity of the road, for the transportation of passengers and produce from city to city; so that no delay should occur for want thereof. In conformity with this requisition, they built two steamboats, called the *State Rights* and *John Fitch*, for the purpose of plying between Camden and Philadelphia. They also built suitable slips, docks and wharves for the accommodation of a ferry at Camden, and a tavern house adjoining said ferry.

Shortly thereafter, a charter was obtained from New Jersey and Pennsylvania for the incorporation of a ferry company, called the "*Philadelphia and Camden Steamboat Ferry Company.*"

The Joint Companies, as appears by a statement furnished to us by them, which is annexed to this report marked B, deemed it most to their interest, in consequence of the limitation in the prices to be charged for crossing by this company, and to relieve themselves from the necessity of keeping up a ferry on their own account, to employ this new company in transacting this part of their business. They therefore sold to the ferry company the two steamboats, slips, docks, wharves, tavern house, lot, stables, &c., at Camden, and the fixtures of the ferry at a valuation, and took the amount of the sale in the stock of the ferry company, at the par value thereof, amounting to one thousand two hundred and seventy-one shares at fifty dollars per share, or sixty-three thousand five hundred and fifty dollars.

This sale was made in the year 1837 or '38. The ferry company has since that time carried the passengers, and sometimes the merchandize of the Joint Companies, between Camden and Philadelphia at specified rates, viz:

The Joint Companies have paid, from 1838 to the winter of 1848 and 1849, for passengers by the lines, in spring, summer

and fall, five cents for each, and in the winter ten cents. In the winter of 1848-'49 this was reduced to five cents. The Philadelphia and Trenton Railroad lines, when run by way of Camden, paid for the morning line five cents, and for the night line ten cents. The above embraces passengers and baggage.

The market line and way passenger lines, via Camden, paid the ferry company one-fourth of the amount received for marketing and freight, as returned by the conductor in the way bills. The transportation, when run by way of Camden, paid the ferry company :

For through freight six cents per one hundred pounds.

“ Way “ three “ “ “ “

“ Cheap “ one “ “ “ “

Since the first of January, 1847 :

For through freight four cents per one hundred pounds.

“ Way “ two “ “ “ “

“ Cheap “ one “ “ “ “

The evidence is that the ferry company has been settled with from time to time at those rates; and that the rates for passengers have been the same as those charged by the other ferries. The rates of freight have varied from time to time, but have generally been from one to six cents per hundred pounds.

The ferry company made a dividend in February, 1849, of five dollars a share, which is the only dividend declared by them up to that time. This dividend has been received by the Camden and Amboy Company on their stock, and properly accounted for.

The evidence is also, that the ferry company has been paying out of their earnings for property which they have purchased and still hold, and that they remain indebted for a part of it.

The ferry company, for the purpose of making certain improvements, whereby the transportation of passengers and merchandize would be greatly facilitated between Camden and Philadelphia, and for the purpose of purchasing certain property, borrowed from the Joint Companies, August 22d, 1840, the sum of thirty-seven thousand five hundred dollars of the bonds of the three hundred and sixty-seven thousand dollar loan, authorized by the stockholders in January, 1840, and in cash six thousand seven hundred and forty-three dollars and thirty cents; alto-

gether amounting to the sum of forty-four thousand two hundred and forty-three dollars and thirty cents. The bonds were sold by the ferry company and, together with the cash, realized forty-one thousand five hundred and fifty-five dollars and eighty-two cents. The ferry company have repaid the whole amount of principal and interest in full of this loan, at the par value of the bonds, as appears by the book of the treasurer of the Joint Companies. Mr. Gatzmer in his testimony says, that this loan was made to enable the ferry company to purchase Jacob Ridgway's ferry property, at the foot of Market street and Arch street, in Philadelphia, and the tavern houses thereto annexed, and the ferry and ferry house at Camden, now called Cake's ferry, besides some stables and dwelling houses in Camden; being all the property of Jacob Ridgway, in Camden, denominated ferry property.

There was also included in the purchase other property, situate at Bloomsbury, together with the steamboat Hornet, and a stipulation to purchase of Reeves and Knisell, tenants of Jacob Ridgway, the steamboats William Wray and Philadelphia, which were used on said ferries, and which were accordingly purchased; some other property was also included in the purchase. The ferry company has since that time run two ferries between Philadelphia and Camden.

It will also appear from the same testimony, that the Camden and Amboy Railroad Company, and the Camden ferry company kept their accounts entirely distinct; and that if one company uses the wood or coal of the other, or anything else, an account of it is kept, and settlements thereof are from time to time made. And also, that if the cars or any part of the machinery of the Joint Companies are used for the private benefit of any of the directors or other individuals, such persons are regularly charged for the work done or the service rendered, and the amount collected.

William H. Gatzmer is the agent of the Joint Companies with regard to their interest in the ferry company.

New Brunswick Steamboat and Canal Transportation Company.

The contracts made by the Joint Companies at different times with the New Brunswick Steamboat and Canal Transportation Company, commonly called the Napoleon Company, have been of great importance. The nature and conditions of most of them have been stated in the details of our investigation of the affairs of the Canal and Railroad; but inasmuch as that company has been intimately connected with the Joint Companies for a long time, we deem it advisable to give a condensed statement of the history of that company, and of the nature and extent of its connection with the Joint Companies.

That company was chartered by the legislature of New Jersey January 18, 1831, with a capital of one hundred thousand dollars, divided into two hundred shares of five hundred dollars each, for the establishment of a steamboat or boats, and a canal boat or boats to ply on the Raritan and Delaware rivers, and on any canal that might be thereafter completed between the cities of New York and Philadelphia; and for the establishment of a steamboat ferry between New Brunswick and New York. The whole capital stock was subscribed, the company duly organized under the charter, and one hundred and twenty-five dollars paid in on each share in February, 1831; and a steamboat ferry was established between New Brunswick and New York. Edwin A. Stevens, James Neilson, and others interested in the Joint Companies had, for some time previous to the date of the charter of the company, been interested in a line of steamboats running under the name of the Union Line, between New Brunswick and New York. In May, 1831, an agreement was made between Mr. Stevens and his associates, and the original stockholders of the New Brunswick company; in pursuance of which a majority of the capital stock was afterwards transferred to Mr. Stevens and his associates, and on the 16th of May, 1831, Edwin A. Stevens, James Neilson, George Able, Miles C. Smith and Isaac Fisher were elected directors. The company continued their ferry between New Brunswick and New York, but did not embark in any other business of much importance until 1835;

previous to which time they had divided eighty dollars per share profits, while the capital was only twenty-five thousand dollars paid in. In May, 1834, twenty-five thousand dollars additional capital was paid in, making fifty thousand dollars in all, which was the whole capital ever paid in.

Other persons interested in the Joint Companies became, afterwards, the owners of part of said majority of stock in the New Brunswick company; and it appears to have been under the control of persons who were directors of those companies from 1835 to the present time.

On the 1st of January, 1835, the New Brunswick company engaged in the transportation of merchandize on the Camden and Amboy Railroad, under an agreement, the terms of which have already been fully detailed in our description of the manner of conducting the railroad transportation, which they continued to do until April 1, 1846.

In the latter part of the year 1840, they commenced that kind of transportation over the railroad which has been fully described under the head of Winter Transportation, and continued it until the present winter.

In 1835 the company established a line of coal barges, which they continued to employ in carrying coal through the Canal until the close of 1846, excepting for a short period, during which the barges were owned by an individual. The company paid the regular rates of toll for the coal carried in those barges.

In 1835 the company also run a few barges through the Canal which carried merchandize, and paid the regular tolls.

In 1836 they formed a connection with C. & F. King & Co., of Philadelphia, who owned a transportation line running through the Canal, called the Merchants' Line; the company becoming, in the first instance, the owners of one half of the line; and after several changes and variations in the ownership of the remaining half, the company, in 1841, became the owners of the whole line. They were also interested in the Swiftsure Line in the same proportions and with the same partners, from its establishment in 1838 to 1st November, 1841, when they became sole owners of both lines, and continued to own them up to the close of the past season, (1849.)

It appears by the statement marked D, annexed to the report, that both lines have now been sold out to other parties. They also, occasionally run a few vessels through the Canal to Albany, and to Hudson and Bridgeport, as stated in our description of Canal transportation.

The contract for the payment of tolls on merchandize carried through the Canal by the Merchants' and Swiftsure Lines, has already been fully described and discussed, in connection with the whole subject of special contracts, for the payment of tolls, and hardly need be adverted to in this connection. It is of the same general nature as the contracts made with other persons for the same purpose; and the tolls on merchandize per ton paid under it, are believed to have been equal to, if not greater than those paid under any other contract; and the terms were quite as favorable to the Joint Companies while C. & F. King & Co., and others, were interested in the lines as they were after the New Brunswick company became sole owners.

From all the information we have been able to collect, the employment of the coal barges belonging to this company on the Canal, was unprofitable to their owners, and very beneficial to the Joint Companies. They were established almost at the commencement of the navigation, when the coal trade was very small; and by proving that the route through the Canal could compete with that by sea, induced others to convey coal to market by the former route.

The New Brunswick company also acted as agents of the Joint Companies, for the management of the steam tow-boats; but it does not appear from the testimony, that they had any beneficial interest in that branch of business, excepting a compensation for the services rendered by their officers and agents, and for their property used by the Joint Companies.

Although we have already, under the head of Railroad transportation, stated the conditions of the contract between the Joint Companies and the New Brunswick company, relating to that branch, a repetition of the principal conditions appears to be required here, in order to exhibit fully the nature of the connection between the companies.

The general features of this contract were that the Joint Com-

panies furnished steamboats, locomotives and cars, and paid every expense connected with them, and transported for the New Brunswick company all goods delivered on board of their steamboats or on their cars by the latter, the whole distance between Philadelphia and New York, for seven dollars and sixty-four cents per ton, being at the rate of eight cents per ton per mile for the estimated distance. For merchandize transported only a part of the distance, three dollars and eighty-two cents per ton was paid, without respect to the distance it was actually carried. There were modifications of these terms with regard to winter freight and coarse freight, the effect of which will be noticed.

The New Brunswick company were not required to embark any capital or to employ any agents in the business, excepting such as might be required for receiving and delivering of merchandize, changing it from one mode of conveyance to another, taking charge of it on its passage, and for collecting the freights and keeping the accounts.

The basis of this arrangement evidently was the highest rate allowed by the charter to be charged for tolls and transportation. By this contract the Joint Companies received the full amount named in the charter, without deductions for the expenses of the receipt or delivery of goods, or for the losses and damage incident to the business; and they also appear to have considered that they were relieved from the legal obligations which would have attached to them as common carriers, if they had received, transported and delivered the goods themselves.

Under this contract, with the modifications respecting coarse freight and winter freight, the New Brunswick company forwarded all the merchandize carried over the Railroad from January 1, 1835, to April 1, 1846, and charged shippers various prices, generally exceeding seven dollars and sixty-four cents per ton for through freight. The rates charged towards the latter part of the period being much lower than those charged in the former part. It is, therefore, obvious that the New Brunswick company must have received much more for the transportation of merchandize than eight cents per ton per mile. What the whole amount of that excess has been, or what disposition has been made of it, we have not inquired, neither have we deemed it our duty to inquire.

If the Joint Companies had the right and power to make a contract with the New Brunswick company, by which the latter could lawfully receive more for transportation than they were authorized to receive themselves, then such excess belongs properly to the latter company, and it is the province of the stockholders of that company, and not of those of the Joint Companies or of the state, to enquire what disposition has been made of it. If, on the other hand, the Joint Companies had no right to receive or to authorize any other person to receive for transportation, more than the sum named in the charter, questions relating to any excess that had been received would concern the payer and the receiver alone. In such case the state, as a stockholder, would not exact or require an account of money to which she was not entitled.

If it were admitted that the Joint Companies had themselves the right to receive more for the transportation of merchandize over their road than the sum specified in their charter, and that their directors, with such right, had made a contract admitting the New Brunswick company, in which some of them had a large pecuniary interest, to a participation in the profits of the business, then it might be within the sphere of our duties to inquire what amount had been received by the latter company, that it might appear whether or not this amount was proportionate to the services performed and the risk incurred; and whether good faith had been observed in making the contract. But inasmuch as the profits received by the New Brunswick company from railroad transportation, arose almost entirely from the excess received by them above eight cents per ton per mile, and as the question, in all its aspects, has been brought before the judicial tribunals of the state, it is not, as we believe, one of the matters we are required to investigate.

We have, therefore, confined our examination of this matter to the inquiries whether all the money due from the New Brunswick company to the Joint Companies, according to the agreement between them, had been duly paid; and whether the state had received a correct account of the quantity of merchandize on which she was entitled to receive transit duties, and the result of those inquiries has been already stated.

The establishment of the winter line appears to have been a judicious arrangement; carrying certain heavy and cheap articles over the Railroad during the winter, at low prices. Although the profit has been small, it has tended to prevent the establishment of sea lines, which might affect the business of the Canal materially during the season of navigation; and the same remark is applicable to the carrying of certain heavy articles at low prices over the Railroad in the summer season. The amount of profit received by the New Brunswick company from these sources was very small.

The New Brunswick company has chartered passenger steamboats belonging to the Joint Companies at different times, and employed them on their ferry between New Brunswick and New York; and, as far as we can discover, always paid the former companies a fair compensation for their use, with the exception of an account for the charter of a boat which terminated during the last year; which account is still unsettled, there being mutual unsettled accounts between the two companies.

The Joint Companies loaned to the New Brunswick company in 1849, fourteen thousand dollars of their bonds issued in 1840. This loan is still unpaid, as already noticed under the head of loans.

We have now detailed all the facts within our knowledge, relating to the connection between these companies, that appear important.

The books of the New Brunswick company have been submitted to us, and have been fully examined, as far as they related to the accounts of the steam tow-boats, and also, as far as we believed the rights or interest of the state or the stockholders of the Joint Companies were involved in the transportation on the Railroad and through the Canal.

In the appendix to our report will be found communications from the Joint Companies, marked C and D, in relation to the connection formerly existing between them and the New Brunswick company.

Coal Lands, and Loan of one hundred and seventeen thousand dollars for building Boats and mining Coal.

In the year 1834, a former officer of the Joint Companies (since deceased) was found to be indebted to them about sixty-three thousand four hundred and twenty-five dollars and thirty-three cents; his indebtedness having arisen from an improper issue of certificates of the stock of the Companies, and from a balance of their funds in his hands. In liquidation of this indebtedness, the said officer conveyed to certain trustees, selected by the board of directors, a number of tracts of land in New Jersey, most of which were subject to prior incumbrances of large amount; and also a quantity of coal lands in the state of Pennsylvania, partially incumbered by mortgage, and to a part of which claims of title adverse to that made to the trustees, were interposed by other individuals. In 1835, the original trustees, under the direction of the joint board of directors, conveyed the trust property to Abraham Brown, Esquire, who was appointed trustee in their stead. The conditions of the trust were, that the trustee should receive the income of the property until sold, sell the same, and apply the proceeds, first, to the discharge of the incumbrances; second, to the payment of the amount due to the Joint Companies, and the expenses of the trust; and then pay the residue to the person who conveyed them to the trustees.

Mr. Brown, the trustee last appointed, took possession of the lands, leased and finally sold most of the property in New Jersey, and from time to time paid the proceeds to the treasurer of the Railroad Company as he received them. In 1837, the trustee, in the execution of the trust, contracted to sell a portion of the coal lands to John C. Offerman, of Schuylkill county, Pennsylvania, and another portion to other individuals; but all the individuals who agreed to purchase, ultimately failed to complete their purchases. The trustee then sold the whole of the lands, at two different times, at public auction, to divest them from the trust, and they were purchased for the Joint Companies by an agent appointed by them. Mr. Offerman, while his contract for the pur-

chase of part of the land was pending, had improved the same by building, and had mined and carried away from the premises a large quantity of coal. These matters were afterwards all settled by arbitration between him and the Joint Companies.

In 1838, the Joint Companies determined to embark in mining coal and transporting it to market, from the tract to which they first acquired a title divested from the trust; and for that purpose selected an agent to superintend the business at the mines, and contracted with two individuals to transport the coal to market; and for the purpose of enabling the agents employed to build boats and raise coal, advanced to them one hundred and seventeen thousand dollars of the money received by the Companies from loans. The money advanced was used in building a number of boats, and in mining and carrying a large quantity of coal to market. The business was continued for several years, when the accounts of the agents were closed, and the moneys in their hands paid over to the treasurer of the Railroad Company.

The business does not appear to have been in itself profitable to the Joint Companies; it was the means, however, of making the coal lands available, and of introducing the transportation of coal from the Schuylkill, through the Canal, and this appears to have been the object and design of the appropriation of the money. The transaction appears to have been undertaken and carried on in good faith; and there does not appear to have been any misapplication of the funds advanced. Mr. Brown continued to act as trustee of the coal lands and other property conveyed therewith, until his death, in 1848, and his accounts have not been finally settled. On the 30th of May, 1846, the Joint Companies entered into an agreement with Robert W. Packer, of Reading, Pennsylvania, by which they agreed to sell all the coal lands to him for eighty-one thousand and three hundred dollars, payable in certain stipulated payments, with interest from the date of the agreement. If Mr. Packer should be dispossessed of any of the lands by a superior title, a reduction of the amount of purchase money was to be made at a fixed rate per acre, and the title was to be given when the purchase money should be all paid. Mr. Packer has since died; it is understood that his representatives intend

to pay the balance of the purchase money, and receive the title. A part of the purchase money and interest has been paid, and about sixty-six thousand dollars still remain unpaid.

The amount of the original investments of the Joint Companies in the lands conveyed to the trustee, as before stated, and in mining and carrying coal to market, is as follows:—

Original indebtedness, for which the trust was created,	\$63,425.33
Money advanced for carrying on coal business,	117,000.00
Money advanced to pay a mortgage on trust property, July, 1835,	2,000.00
	<hr/>
	\$182,425.33
	<hr/>

The total amount of net receipts from the proceeds of the trust property and the coal business, as far as the accounts have been settled, is

\$112,559.00

The amount still due on the contract for the sale of the coal lands, without any calculation of interest, is

66,000.00

\$178,559.00

Besides the above stated receipts, there are three thousand three hundred and eighty-seven dollars and twenty-seven cents in the hands of the coal agent; but it is understood that there are outstanding accounts still unpaid, which will nearly balance that amount.

The balance of the account of Mr. Brown, as trustee, cannot now be ascertained. His accounts for services rendered are only memorandums of the services performed, without any specific amount of money being charged.

This trust property involved the Companies in expensive litigation, which is not yet closed. From the unsettled condition of some of the accounts, it is impossible to ascertain with accuracy the amount of money that will be ultimately realized from the original trust and investment. Statement E, in the appendix, laid before us by the Companies, gives a detailed account of the whole transaction.

Conclusion.

We have at length reached the conclusion of this long report, to the relief of the legislature as well as of ourselves.

Before closing it, however, we beg leave to add, that in preparing it, our leading object was to present the facts truly, without color or disguise, rather than to draw conclusions from them. The former was the especial design of the investigation, as we supposed: the latter is the province of the authority to which we must respond. At the same time, we have endeavored to state the facts in reference to the specific charges with so much clearness and precision, that conflicting inferences cannot well be drawn from them. We feel justified in giving the assurance that the matters stated in the report as facts within our knowledge, or as derived from our inspection of the books of the Companies, may be confidently relied upon as true. In our opinion, the testimony of the highly respectable and intelligent witnesses examined by us, is entitled to the same degree of credence.

We are sensible that the report has been extended to a length apparently unreasonable. This is not the result of choice on our part. We might have spared ourselves much labor, by simply reporting conclusions and results instead of facts: such a course, however, would not have been satisfactory, as we believed, nor did it comport with our ideas of duty.

More or less repetition will certainly be found in the preceding pages. We could not entirely avoid this. We might, perhaps, to some extent have corrected the report in this as well as in some other particulars, and thereby curtailed it, had not our time been limited.

The propriety, if not the necessity, of presenting our report to the legislature at the earliest possible day during the present session, has prevented that deliberate and careful revision which we should otherwise have given it; thereby relieving it, no doubt, of many redundancies and, possibly, improving the phraseology.

Complaint may be made that some matters of interest are not noticed at all in the report. If so, our excuse must be that had we enlarged the field of investigation, it would not have been

possible to report during the present session of the legislature. On the other hand, it may be objected by some that we have spent more time and examined more subjects than was either expected or necessary. Be that as it may, however, we remark that, with reference to all matters outside of the specific charges, we exercised our discretion and judgment in such way as would, we believed, most effectually carry out what we supposed were the intentions of the legislature. Several matters of minor importance will be found in the testimony of the witnesses, which are not noticed in the report. To instance one, the free ticket system upon the Railroad, is minutely detailed in the testimony of Mr. Gatzmer.

We submit the results of our protracted labors to the calm and intelligent consideration of the legislature, with the hope that the consequences of the investigation may be such as to merit the sanction and support of every good citizen in the state.

It has already been stated that the board of directors, in compliance with our request, furnished us, from time to time, with several communications in writing in reference to some of their contracts and arrangements with other companies and individuals. All the original written contracts were laid before us; every thing material in relation to them, we believe, has been noticed in the previous pages of this report.

Some of the communications above referred to, we have concluded to annex to our report, by way of appendix. Statement marked A, thus appended, has relation to the Philadelphia and Trenton Railroad; statement B, to the Camden Ferry Company; statement C, to the transportation business over the Railroad by the New Brunswick Steamboat and Canal Transportation Company; statement D, to the Merchants' and Swiftsure Transportation Lines, through the Canal; statement E, to coal lands and the expenditure of money in the effort to introduce the coal trade through the Canal. Several other documents and statements prepared by some of the officers of the Companies, and verified by oath, are also herewith presented to the legislature, together with the testimony of all the witnesses examined by us. One is a statement prepared by Gen. William Cook, the en-

gineer of the Railroad, respecting expenditures upon the road, showing its present condition, and the real estate owned by the Company along the line of the Road. Another, is a statement prepared by Robert S. Van Rensalaer, engineer of the running department of the Railroad, giving an account of the locomotives, cars, &c., owned by the Company. A third one was prepared by Ashbel Welsh, the engineer of the Canal Company, respecting the Canal, similar in character to that of Gen. Cook respecting the Railroad.

We respectfully refer the legislature to these various documents and the testimony of the witnesses, for more particular information on many points, than is contained in the report.

We embrace this opportunity of returning our thanks to the joint board of directors, for the use of their room at Bordentown, which was given up to us exclusively; and also, for the uniform attention and courtesy extended to us by them and other officers of the Joint Companies, during the investigation.

It is proper to add that one of the directors of the joint board informed us, while preparing our report, that they were willing and ready at any moment, to pay over to the State Treasurer the amount of transit duties which we might find due from them to the state, for omissions in the return of dutiable passengers and merchandize. At our suggestion it was thought advisable to leave it until after the report was made.

All of which is respectfully submitted.

AARON ROBERTSON.

JAMES S. HULME.

A. WURTS.

Attest :

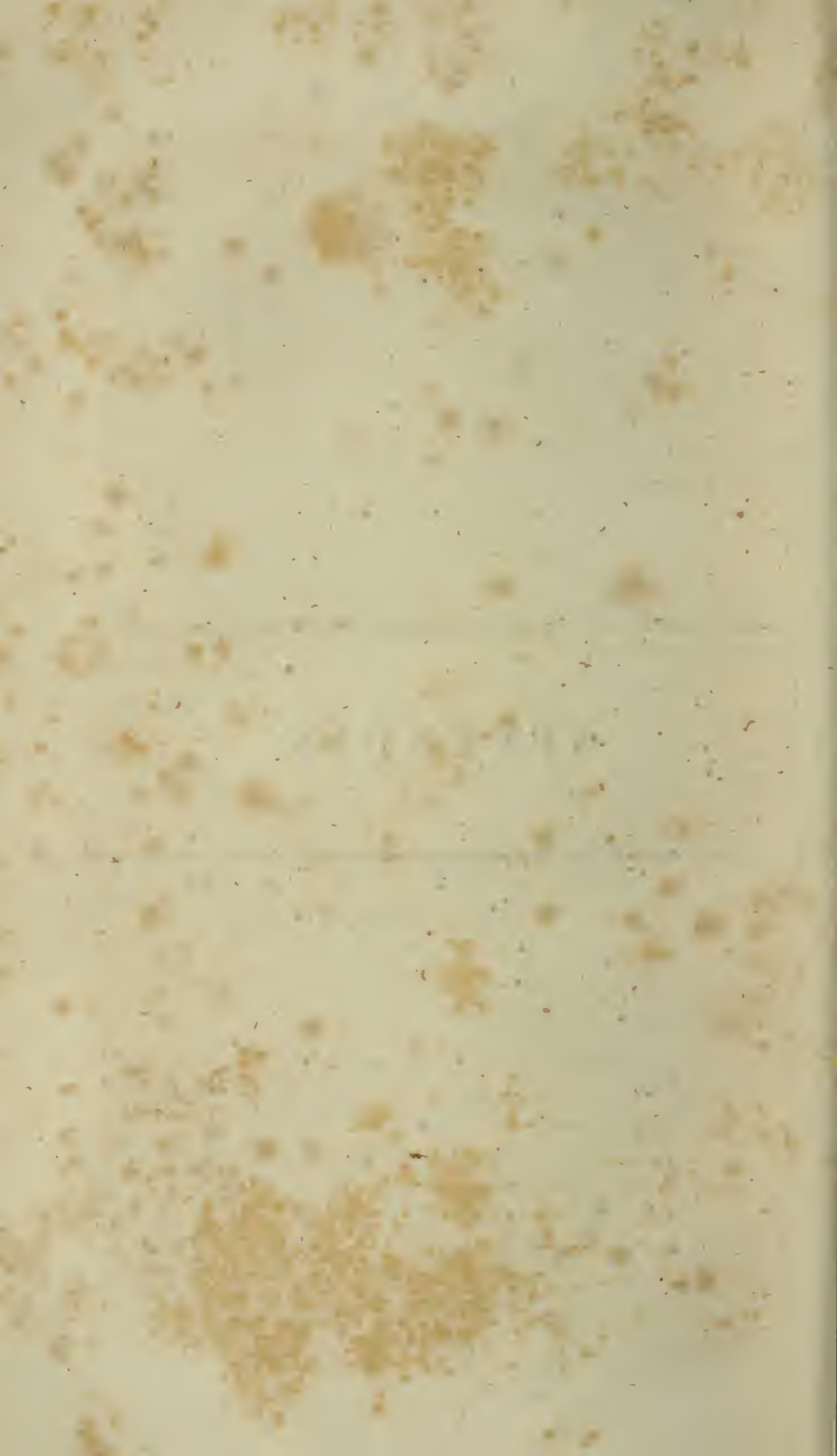
CHA'S M. HARKER, *Secretary.*

DATED, BORDENTOWN, *February 7th, 1850.*





APPENDIX.



APPENDIX.

STATEMENT A.

PHILADELPHIA AND TRENTON RAILROAD COMPANY.

The connection between the joint companies and the Philadelphia and Trenton Railroad Company, is a very intimate one; forming, as the road of this company does, a most important link in the chain of railroad communication between New York and Philadelphia, on the old established route of travel between these cities, *via* Trenton and New Brunswick.

This company was incorporated by the state of Pennsylvania, in the year 1832, with a capital of \$1,000,000; and the managers immediately conceived the idea of elongating their road, through the state of New Jersey, from Trenton to New Brunswick.

For this purpose, they applied to the legislature of New Jersey for authority to continue their road across the state to New Brunswick. This application was refused, on the ground that the legislature could give no such authority without a violation of the privileges granted to the joint companies. Determined to force their way across the state without permission of the legislature of New Jersey, they procured from the state of Pennsylvania the following supplement to their charter:

"Supplement to an act entitled, an act authorizing the governor to incorporate the Philadelphia and Trenton Railroad Company.

SEC. 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania, in General Assembly met, and it is hereby enacted by the authority of the same, That the Philadelphia and Trenton Railroad Company be, and they are hereby authorized and empowered to purchase, acquire, and hold

such and so many shares in the capital stock of any railroad, bridge, or canal company, or other company, whether the same be incorporated by the laws of the state of Pennsylvania or any other of the United States, as may be necessary to complete a communication by railroad and steamboat to the city of New York; and the same again to sell and dispose of at their pleasure, and for that purpose to apply and use the corporate funds, or, if need be, to borrow money from such person or persons, and upon such terms, as to them may seem expedient; *provided*, that after five years from the date of the passage of this act, the said company shall not be authorized to purchase any stock as aforesaid; and that nothing herein contained shall be construed so as to enable the said company to purchase or hold bank stock, or to have, or in any manner exercise banking privileges.

OFFICE OF CLERK OF SENATE, }
Harrisburgh, March 18, 1835. }

I certify the above to be a copy of an act passed by both branches the legislature.

H. BUEHLER, *Clerk*.

In virtue of this act, the company purchased the straight turnpike road, between Trenton and New Brunswick, for the purpose of laying rails thereon, to connect with the road in Pennsylvania, and thus compete with the Camden and Amboy Railroad Company, to the manifest injury of the state, as well as the joint companies, and actually commenced the laying of rails thereon.

The project created great excitement throughout the state of New Jersey, and many persons supposed that the united companies, or those connected with them, were engaged in the enterprize, for the purpose of cheating the state out of the transit duties. But no such connection existed:— On the contrary, the joint companies, by their agents, succeeded in securing a majority of the stock of the Trenton Delaware Bridge Company, with the view of preventing, as far as possible, the carrying out of the intended project. Subsequently, in the autumn of 1835, individuals largely interested in the joint companies, with a view to put an end to these projects (which had already involved the adoption of heavy and angry litigation, as well as much legislative embarrassment,) proposed to the board of directors of the joint companies, that they should purchase the control of the Philadelphia and Trenton Railroad; but this the board peremptorily refused to do.

Shortly afterwards, in October, 1835, the stockholders of the joint companies, having called upon the directors "to make an arrangement to put an end to the opposition which had been going on for so long a time by the Philadelphia and Trenton Railroad Company, against the Camden and Amboy Railroad," the joint board, in pursuance of this requisition, and for the purpose of removing, as far as possible, every inducement for converting this road, with its attendant privileges, into an engine of opposition to the Camden and Amboy road, made the arrangements with that company which are embodied in the agreements of November 11, 1835, and April 4, 1836, heretofore submitted to the commissioners; by which it was, amongst other things, provided that the dividends on the stock of the two companies should be equalized.

It has always been the unimpaired conviction of the directors and stockholders of the joint companies that this arrangement was one of most signal advantage to these companies, and that the state was no less benefited by it than the companies themselves. This, it is thought, must be obvious to the commissioners and to all others who have given their attention to all the circumstances of the case.

The inquiry has been made by the commissioners, whether the individuals who purchased the stock of the Philadelphia and Trenton Railroad Company, as before mentioned, did so under any assurance from the joint companies that such stock would be taken off of their hands, or that the arrangements before mentioned should be made.

The answer is, that no arrangement or understanding of any sort or kind was had with the joint companies on the subject. The only motive which actuated the persons referred to in making the purchase, was to protect and secure the large interest which they held in the joint companies, and to obviate the embarrassments which the rivalry and opposition of the Philadelphia and Trenton Railroad Company threatened to impose upon the joint companies and the state.

From ignorance, however, of the motives which led to the connection thus formed, and from a lingering jealousy entertained by the legislature and the people of New Jersey against the supposed scheme of the Philadelphia and Trenton Railroad Company to erect an independent line of railroad communication across the state, by means of their interest in the straight turnpike, whereby the state might forfeit its stock in the joint companies, a jealousy which

gained strength from the commencement of a railway track from the Trenton bridge to the canal, at the city of Trenton, the legislature of the state, in March, 1837, appointed a committee to make certain inquiries relative to this subject. In their communication to the joint board, the committee say, "that being informed that said road has been thus far constructed by your companies, they submit to you a copy of the resolution, together with the following questions, wishing your answers thereto in writing, with as little delay as possible."

Amongst these questions will be found the following, the answers made thereto on behalf of the joint companies being annexed:

"1st. By whom is this railroad, *viz.*, the one from the Delaware bridge, near Trenton, to the line of the Delaware and Raritan canal, constructed, or being constructed?"

Their answer to the first question is:

That portion of the railroad lying on the Delaware bridge company's property has been constructed by the Philadelphia and Trenton Railroad Company, and the other portion of said railroad has been constructed, and is being constructed, by the Delaware and Raritan Canal, and Camden and Amboy Railroad and Transportation Companies.

17th question. May not this railroad, or a part of it, by uniting with others, or by uniting with such bridge as may unite it with others than the Camden and Amboy and New Jersey railroads, be used in competition with the Camden and Amboy railroad; and may not the completion of it bring about a forfeiture of the shares of stock belonging to the state, in case the companies shall so determine, by the provisions of section 6, of an act entitled, "An act relative to the Camden and Amboy Railroad and Transportation Company," passed 4th February, 1831?

Their answer to the 17th question is:

That it will not.

21st question. Do you, in the construction of this road, form a connection with the Philadelphia and Trenton railroad by passing over the Delaware bridge near Trenton, and, if so, by what authority do you consider yourselves authorized to do so?

Their answer to the 21st question is:

The road does not cross or go on the Delaware bridge, but, as before stated, the bridge company have allowed rails to be laid on their bridge and adjacent property; which rails the united companies have allowed to be connected with this road for the accommo-

dation of the citizens of Trenton, and because the pecuniary interests of the state will be increased thereby.

During the same session, the legislature passed an act authorizing the joint companies to make the railroad between Bordentown, Trenton, and New Brunswick, to connect with the Philadelphia and Trenton railroad at the Trenton bridge, stipulating for the same transit duties thereon as were reserved on the original road, and also stipulating that the interest of the state in the stock of the joint companies should not be affected. This act was passed, subject to acceptance by the joint companies, and was shortly after formally accepted by them.

But their principal security against further opposition from the Philadelphia and Trenton Railroad Company rested on the fact, that the stock of the latter company was controlled by those who were largely interested with themselves. Should any adverse circumstances occur, to throw this stock into the hands of those who might refuse to carry into effect, with good faith, the arrangement which had been made, all the original difficulties and embarrassments would be renewed. To provide against the dangers to be apprehended from this source, some of the principal stockholders of the joint companies, at an early day, suggested the plan of the joint companies purchasing the Philadelphia and Trenton railroad stock. But this being opposed by the board of directors, who were satisfied that the interest of the holders of this stock in the joint companies, would impel them to retain it, and that the interest of the joint companies would be thereby as fully secured as if they owned the stock themselves, the matter was dropped.

But the severe pressure of the times, in the year 1840, made it difficult, if not impossible, for the holders of this stock to retain any longer the control of it; and it was thereupon offered by them to the joint companies, at a price amounting to what it had cost, with an intimation that, unless it should be purchased by the joint companies, the holders would be obliged to sell out to other persons.

Had the stock fallen into adverse hands, the attempt to convert the straight turnpike road into a railroad would probably have been revived, and the warfare of opposition (so much deprecated by the stockholders in their communication of October, 1835,) would have been renewed: the interests of the joint companies and of the state would have suffered severely in such a contingency. Such an opposition would have entirely frustrated the just expectations of the

stockholders of the joint companies, as well as one principal consideration on which they had proceeded to invest such large sums; which was, that they should be secure in the enjoyment of the route they were to occupy.

Without the prospect of a protection of this kind—a protection accordant, indeed, with the express legislative policy of the state—capitalists, to whom they had recourse at home and abroad, could never have been induced to enlist in aid of the great enterprize to be accomplished. Without such protection, the value of the interests which the state deemed it important to foster, and the value of the returns which she expected to realize therefrom, would have been destroyed.

These considerations weighed strongly upon the directors of the joint companies, and induced them (notwithstanding their former refusal to buy this stock) to accept the offer made to them by the owners of it, and they became its purchasers,—issuing the bonds of the companies in payment thereof, as will be seen by the minutes of the board.

In a financial view, this purchase has been advantageous to the state and to the companies; for the dividends accruing on this stock have exceeded the amount of interest paid on the bonds issued for its purchase, and it has entirely protected them from the disastrous effects of an opposition, by which the state and the other stockholders would have been greatly injured.

The avoidance of opposition, highly desirable as this was, is not the only consideration which recommended the purchase of the Trenton railroad stock.

Experience had shown, that at certain seasons of the year the Delaware river at Camden would be often obstructed, and sometimes rendered impassable by the ice.

This road, therefore, furnished a means (and the only one) by which, at all seasons and under almost every conceivable circumstance, the intercourse between the great cities would not be interrupted. With two routes, one by the way of Amboy and Camden, and the other by the way of New Brunswick and Trenton, an accident occurring to a portion of the road, or the burning of a bridge, (as has happened on other roads) would cause no interruption to the mails or the travel; for it is hardly to be supposed that serious accidents of this character on both routes should happen at the same time.

The result of it all is, that the connection between the joint com-

panies and the Philadelphia and Trenton Railroad Company, in all its stages, has been prompted by a strong feeling that the interests of the joint companies, as well as of the state, imperatively demanded it, and that their connection with the state would be thereby rendered more satisfactory, and more to the mutual advantage of both parties.

JNO. R. THOMSON, *Sec'y Joint Board.*

January 8, 1850.

STATEMENT B.

CAMDEN FERRY COMPANY.

The Camden and Amboy Railroad Company paid the ferry company, for the crossing of their passengers when the lines were run *via* Camden, in spring, summer, and fall, five cents each, and in winter ten cents. Commenced in October, 1838, and continued at those rates to the winter of 1848 and 1849, when the winter rates were reduced to five cents.

The Philadelphia and Trenton railroad lines, when run *via* Camden, paid, for the morning line five cents, and for the night line ten cents, for each passenger, in spring, summer, fall, and winter.

The above charge embraces passengers and baggage.

The market line and way passenger lines, *via* Camden, paid the ferry company one-fourth of the amount received for marketing and freight (the amount returned by conductor in way bill).

The transportation, when run *via* Camden, paid the ferry company—

For through freight,	6 cents,	
“ way	“ 3 “	
“ cheap	“ 1 “	per 100 lbs.

Since the 1st of January, 1847—

For through freight,	4 cents,	
“ way	“ 2 “	
“ cheap	“ 1 “	per 100 lbs.

CAMDEN FERRY COMPANY.

The joint companies are the owners of 1271 shares of the stock of the Camden Ferry Company, valued at 50 dollars a share, or 63,550 dollars.

By the act of incorporation of the Camden and Amboy Railroad and Transportation Company, in the seventh section, it was made their duty to provide suitable steam, or other vessels, at either extremity, for the transportation of passengers and produce from city to city, so that no delay shall occur for want thereof.

At the time of the completion of the railroad to Camden, there was no ferry at that terminus of the road; and the ferry boats in the river were of a size and character unsuitable to the new business about to be introduced on it.

The company therefore built two ferry boats, the State Rights and the John Fitch, upon a scale much larger than any previously used on the ferries, and calculated to keep the communication at all times open through heavy ice between Philadelphia and Camden, which had never been accomplished before. They also constructed suitable slips, docks, and wharves, and erected a commodious hotel at Camden, for the accommodation of the travelling public.

But on the — day of — the states of New Jersey and Pennsylvania incorporated a ferry company, called the Philadelphia and Camden Steamboat Ferry Company, with such limitations, as to the prices to be charged for the ferriage of persons and property, that it was deemed most to the interest of the joint companies to relieve themselves from the necessity of keeping up a ferry on their own account between these places, and to employ the agency of this new company in transacting this part of their business.

And, for this purpose, a sale was made to this new company of the steam ferry boats State Rights and John Fitch, the slip and adjoining northern pier, and the tavern, lot, and stables connected with it, at a valuation thereof; and the joint companies then subscribed the whole amount of such sale to the capital stock of the ferry company.

The only connection existing between the joint companies and the ferry company, is the interest of the joint companies as a stockholder in the ferry company, and in making use of the boats of this company in carrying passengers and produce between Camden and

Philadelphia, for which tolls have been paid from time to time, as they accrued. The tolls paid are specified on the first page of this statement.

It may be proper to add, that, for the purpose of enabling the ferry company to perfect its arrangements, on such a scale as to afford the greatest degree of facility and freedom from interruption to the transportation of passengers and property across the Delaware, between Philadelphia and the terminus of the Camden and Amboy railroad, the joint companies, in the year 1840, advanced to the ferry company, by way of loan, \$37,500 of the bonds of the \$367,000 loan authorized by the stockholders in January, 1840, and \$6743.30 in cash; which advancement, with the interest thereon, has been settled and paid, and gone into the general receipts of the joint companies. It is proper to add further, that the amount of stock held by the joint companies in that company is 1271 shares, the par value of which is \$50 per share.

JNO. R. THOMSON, *Sec'y Joint Board.*

January 8, 1850.

STATEMENT C.

TRANSPORTATION BY THE RAILROAD COMPANY.

When the railroad company commenced operations, the business of transportation between the cities of New York and Philadelphia was principally conducted by the Union Transportation Line, owned by the firm of Hill, Fish & Abbe. The mode by which the business was then conducted, was by wagons across the state of New Jersey, sometimes by way of New Brunswick and Trenton, and sometimes by way of South Amboy and Bordentown. Wagons were also frequently employed, in the winter season, between Trenton and Philadelphia, as well as between New Brunswick and Perth Amboy.

When navigation permitted, the goods by this line were transported in steamboats and other vessels, by the river Delaware on

the one hand, and by the river Raritan and Staten Island sound on the other. On the 24th of January, 1833, they were induced to commence the transportation of their goods on the railroad, which they did from that time until the 1st of April following, at a reasonable compensation allowed to the railroad company for tolls; at the same time paying to the company, from the 1st of January to the 1st of March, in the same year, fifteen per cent. on the freight of such goods as were transported in the company's steamboats, either on the river Delaware or on the river Raritan and the sound; and in the month of March paying the company fifteen cents per hundred pounds for such transportation.

From the 1st of April, 1833, the railroad company assumed the business of transportation between the two cities, employing Hill, Fish & Abbe, who, from long experience, had acquired much knowledge and skill in this branch of business, as agents, at a commission of thirteen per cent. on the net proceeds, after deducting current expenditures of the business; and that firm relinquished their line and the good will of their business to the company.

This arrangement lasted until the end of the year 1834.

On the 1st day of January, 1835, the transportation business was transferred to the New Brunswick Steamboat and Canal Transportation Company, which company conducted it on their own responsibility until the 1st of April, 1846.

The terms of the arrangement with this company, during that period, were as follows: on all regular through freight, they paid the railroad company \$7.64 per ton, namely, eight cents per ton per mile, or \$4.88 per ton for the whole length of the railroad (61 miles), and \$2.76 per ton for steamboat transportation. On way freight, they paid \$2.44 per ton until the 1st day of September, 1835, after which time it was always \$2.44 per ton for railroad carriage, and \$1.38 per ton for steamboat transportation, except during the winter of 1835-6, when it was one half of those rates.

From the year 1840, inclusive, the New Brunswick company were allowed to carry certain coarse articles, paying low freights, at a lower rate of toll, being charged therefor, in that year, at the rate of \$1 per ton, and subsequently at the rate of \$4.88 per ton.

In the winter of 1840-41, the proprietors of the Merchants and Swiftsure lines, which were regular and permanent lines of transportation through the Delaware and Raritan canal, between New York and Philadelphia, were allowed, at the close of canal navigation, to forward their freight (such of it as they could retain in that

season of the year) over the railroad, between Camden and Amboy. This facility was granted to those lines in order that their regular canal business might not suffer from a total suspension during the winter months, a circumstance of which those who were engaged in the outside transportation by sea would not fail to take advantage.

This being the object of the facility extended by the railroad company to these canal lines, they were charged, in that and the succeeding winters, such rates as would barely enable them to keep up the business without pecuniary loss, and which were fixed in each case on an examination of their accounts of receipts and disbursements at the winter's close. These rates have consequently varied for each winter, ranging from \$3.50 to \$2.24 per ton.

Under these various arrangements, the railroad company have provided and run the locomotive power and cars necessary for the transportation of the freight, which was handled by, and remained in the custody and under the care and control of the New Brunswick company, who were liable for, and paid all damages incurred by the loss or injury of goods.

In addition to the before mentioned regular rates of toll, paid by the New Brunswick company to the railroad company for the transportation of freight, the former company were required to pay \$1500 per month, from the 25th of February 1841, to the 1st of July, 1842, amounting to the sum of \$24,200 for the use of steamboats for transporting freight on the river Delaware between Philadelphia and Bordentown.

On the 1st day of April, 1846, the Napoleon company relinquished the business of transportation on the railroad, since which time it has been conducted by the railroad company itself.

The above explicit statement of the various arrangements with regard to transportation on the railroad nearly supersedes the necessity of any explanation of the motives and views with which the said arrangements were made. One principal motive of the railroad company for relinquishing the business of transportation on the road, and turning it over to the New Brunswick company, was to avoid the responsibility for losses and damages which the situation of common carriers necessarily incurs. Such has been the severity of the law, as explained by the courts throughout the country, and enforced by the verdicts of juries, that it is scarcely possible to escape from liability, even when every precaution has

been taken which skill, experience, and foresight could provide against accidents.

To convey an idea of the extent of the responsibility incurred by common carriers between New York and Philadelphia, by railroad and steamboat, it may be proper to state, that it not unfrequently happens that property to the amount of half a million of dollars is carried in one boat, from Amboy to New York and Bordentown and Philadelphia. Goods to the value of ten thousand dollars are frequently carried over the road in a single crate. Damages to property in a single barge have been assessed at fifty thousand dollars, and an accident occurred last year to a barge in the river Delaware, in consequence of which, though it was loaded with an unusual quantity of low priced articles, and of such as are not greatly, if at all injured by water, the New Brunswick company were obliged to pay damages on the cargo to the amount of twenty thousand dollars. The responsibility of such a business the joint companies desired to avoid, as far as was consistent with their duty and obligations to the public; which never extended further than the establishment of a line of communication between the two cities, by constructing and keeping up a railroad across the state, and providing steamboats or other vessels to ply at each terminus thereof. It was therefore deemed wise and prudent that the great responsibility alluded to should be assumed by some other company or association of capital and established credit. It was also the opinion of the joint companies, that it would be more advantageous to them to receive simply the tolls to which they were entitled for the use of their road and steamboats, without incurring any of the expense necessary for receiving, handling, taking charge of, and delivering the goods, than it would be to receive the freight of those goods, and be liable to that expense, which would have amounted to one-fifth of the receipts.

From the time when the New Brunswick company undertook this business, on the 1st of January, 1835, until they relinquished it, on the 1st of April, 1846, they transported over the railroad 184,347 tons of through freight, and 42,127 tons of way freight, and paid the railroad company therefor the sum of \$1,463,838.81.

In March, 1846, the New Brunswick company, regarding their compensation as not equivalent to the risks they ran, addressed a letter to the executive committee of the joint companies, in which they stated that the compensation which they were then receiving was equal only to one dollar for every \$34,000 worth of property

carried, and declined the further transaction of the business on the terms upon which they had heretofore been doing it.

It should be further observed, that the joint companies, being equally interested in the railroad and canal, the arrangements made with the New Brunswick company, who were proprietors, or joint proprietors, of the principal lines established for the transportation of merchandise between New York and Philadelphia, through the canal, were so adjusted as to secure the combined interest of the joint companies in reference to both works. This policy required that the New Brunswick company should submit to such regulations and arrangements, with regard to either branch of the business, as the aggregate interest of the joint companies should require. The result frequently was, that a profit realized by the New Brunswick company on one branch of the works, was counterbalanced by a corresponding loss on the other.

A tabular statement is hereto annexed, showing the amount of the railroad transportation performed by the New Brunswick company, whilst it was in their possession, and the receipts of the Camden and Amboy Railroad Company therefrom.

JNO. R. THOMSON, *Sec'y Joint Board.*

January 8, 1850.

STATEMENT D.

CANAL TRANSPORTATION.

After the completion of the canal, in 1834, it became a question of grave importance to the joint companies, whether they should engage in the business of transportation thereon themselves, or should endeavour to induce others to do the work. On the one hand, it was argued, that by leaving the business in other hands, the companies would lose the benefit of that unity of purpose, and that zealous interest in developing the capabilities of their works, which would naturally flow from the projectors and proprietors themselves, and which are absolutely necessary to give the requisite energy for insuring success in an enterprize of such magnitude. On the other hand, it was thought extremely imprudent, on the part of the joint companies, after exhausting, in the construction of their works, all their capital and nearly two millions of loans, to incur the additional expenditure requisite for purchasing and constructing boats, and for carrying on the heavy and complicated business of transportation, attended with all the risks of loss and destruction of property, and responsibility of carriers, which such an undertaking would necessarily impose. The latter considerations prevailed, not only in the adoption of a resolution, not to engage in transportation on the canal, but, as has been shown in the explanatory statement made with regard to transportation on the railroad, led to the relinquishment of that branch of business also.

At the same time, in order that the prosperity of the works might not be left wholly to depend on the operations of individuals or associations, whose interests might clash with the true interests of the joint companies, or whose partial and limited views might not embrace the wide range of resources available for building up their highest prosperity, it was deemed advisable that some of the principal stockholders of the joint companies should connect themselves with, and give a controlling impulse to some association that would undertake the transportation of merchandise across the railroad and through the canal. The plan was proposed to the stockholders of the New Brunswick Steamboat and Canal Transportation Company, better known as the Napoleon company, (about

which so much has been said, and so many misrepresentations have been made,) whose charter was sufficiently liberal for the attainment of the objects in view. The proposition was unanimously accepted by them, and an increase was made to the capital of that company, for the purpose of raising the funds necessary for commencing operations. They assumed the transportation business on the railroad in January, 1835, as has been seen in the communication already made on that subject, and immediately commenced the construction of barges for the transportation of merchandise and coal through the canal. A sufficient number of steamboats was at the same time put under their control, to accomplish the necessary towage of boats to and from either terminus of the canal. In the course of the season of 1835, they completed a number of barges, all of the largest class adapted to canal navigation, and were prepared to do a pretty extensive business in the freighting of merchandise and coal. At a later period, they engaged in the business of procuring coal from the Pennsylvania mines, and taking it through the canal, in furtherance of one of the leading objects which the joint companies always cherished, namely, a diversion through the canal of the great coal trade carried on from Pennsylvania to New York and the eastern states. In the mean time, in the spring of 1836, the New Brunswick company, at the instance of the joint companies, formed a connection with C. & F. King & Co., of Philadelphia, and Miller & Banker, of New York, who had been largely engaged in the transportation of merchandise coastwise between the cities of New York and Philadelphia, and who had, prior to this time, established the Merchants Line, for the transaction of a similar business through the canal. The skill and experience which these associates brought with them to the management of this branch of business, was soon evinced by the great increase of business on the canal.

In September, 1838, the same parties established another canal line, which they called the Swiftsure Line, originally intended to carry, at a cheaper rate, freights requiring less despatch. These two lines have, from thence to the present time, transacted much the largest portion of the business of freighting merchandise between Philadelphia and New York, through the canal, being for many years past the only regular and permanent lines established for that purpose.

They also commenced, about the same time, to run a line between Philadelphia and Albany, which they called the Albany

Union Line, and which they continued for several seasons. In the latter part of the year 1841, the other parties having relinquished their interests in these lines, the New Brunswick company became the sole proprietor thereof, and continued to carry on the Merchants and Swiftsure lines, through agents established in New York and Philadelphia, until the close of the past season (1849), but have now sold out their interest to other parties. They had already disposed of their coal barges in the early part of the year 1847.

During the operations of this company and their associates on the canal, which have, in fact, been conducted in subserviency to the interests of the joint companies, they have expended, in capital, nearly two hundred thousand dollars in the construction and purchase of barges, steamers, and other vessels, exclusively for the navigation of the canal, and have sustained large losses in the coal and other operations, from time to time undertaken with the view of keeping these vessels constantly employed.

In the mean time other lines have been established between Philadelphia and Albany, Philadelphia and Hartford, and Baltimore and New York; and one or two additional lines ran for a few early seasons between New York and Philadelphia.

With most of these lines, the canal company has had special arrangements with regard to canal tolls on general merchandise. The Merchants and Swiftsure lines, since the month of September, 1836, have always paid twenty-five per cent. on their bills of freight; and the other lines, established since that time, have also usually paid a per centage on their bills of freight, adapted to the particular circumstances of the routes which they occupied, the details of which have been laid before the commissioners in the evidence which has been taken on the subject.

The policy of making these special arrangements with permanent lines for a per centage on the amount of freight, in lieu of specific tolls, was dictated by various circumstances affecting the interests of the canal company and the joint companies.

When the canal was opened for public use, it was the desire and intention of the directors to make it equally free to all who might wish to use it, on precisely the same terms. Lists of toll rates were printed and circulated. Individuals engaged in the freighting business between New York and Philadelphia were invited and urged to abandon the coast, and make use of the canal.

The firms of C. & F. King & Co. and Miller & Banker, before

mentioned, built and fitted up barges for the purpose, and commenced regular lines for freighting merchandise by this route; and other persons started vessels which did more or less freighting through the same channel.

Experience soon taught the canal company that they were the victims of constant and extensive frauds, that but a small portion of the cargoes of many vessels were reported to the collectors for tolls. It was clearly impossible to unload every vessel that presented itself at the terminus of the canal, for the purpose of ascertaining its cargo with correctness; and it was also utterly impracticable, by a weigh lock, to attain the object on a cargo of assorted merchandise, such as was usually carried by regular transportation lines. These were difficulties to be overcome. The desideratum with the canal company was, a plan to afford the most enlarged facilities to the whole commercial community, and at the same time to protect themselves from frauds and impositions.

Experience had demonstrated these two interests to be in opposition, and that it was the interests of the canal company which had invariably to suffer. This fact confirmed the conviction of the joint companies, as to the expediency of the course taken with regard to the New Brunswick company in relation to canal transportation. And it was principally with the view of being able to induce a fair exhibition to the canal company of the actual transportation, that the New Brunswick company, in the spring of 1836, connected itself, as before mentioned, with King & Co. and Miller & Banker, who were doing much the largest business, through the canal, of all that were concerned in it, except the New Brunswick company itself.

It was still found, however, that instances of fraud occurred, and finally, in September of 1836, the plan was adopted which has ever since, with but slight modifications, been steadily pursued.

This plan was—1st, the appointment of an agent by the canal company, whose duty it was to keep the accounts of the transportation business, and to lay them before the executive committee once every month for examination; and, 2d, the payment, by the parties doing the business, of twenty-five per cent. on the amount of their freights, in lieu of specific tolls.

The plan thus fallen upon was also called for by, and continued from other considerations of equal, and, perhaps, greater importance to the permanent prosperity of the canal.

The canal company was deeply interested to secure the esta-

blishment and continuance of regular and permanent lines of transportation through the canal. Without such regularity and permanency, it could not be expected that this route would ever acquire the confidence of the mercantile community, so as to divert to it any large proportion of the immense trade constantly going on between the great cities on either side of the state.

The establishment of such lines of sufficient force and strength to meet the increasing wants of trade, could not be effected without a large outlay of capital, and their operation and management could not be supported without constantly involving heavy expense. It was soon found, therefore, that the great object which the company had in view could only be attained on the basis of some arrangement with regard to tolls, which would enable those who might engage in the hazardous experiment to meet the exigencies incident to a business of this kind, under all the peculiar circumstances of the case. The competition of the coasting trade by sea, rendered it necessary that they should have it in their power so to regulate their charges for freight as to meet the fluctuations of that competition, which a fixed and specific toll (sufficiently remunerative to the canal company) would not have permitted them to do, without ruinous sacrifices to themselves.

In like manner, the transient competition of vessels resorting to the canal as a convenience, in the intervals of more profitable employment on some other route (hostile, perhaps, to that of the canal), rendered necessary for those who devoted exclusive attention to the navigation of the canal, the power to regulate and modify their standard charges of transportation in such manner as to retain the regular flow of custom on which they had to depend. In addition to these considerations, another of equal consequence to the joint companies—the encouragement of transportation by the railroad—rendered it important to them to make it the interest of those who were engaged on the canal to take the coarser and cheaper classes of freight, and not to set the canal and railroad in deleterious opposition to each other.

The transportation of coal through the canal has always been an object of peculiar solicitude with the joint companies; and a great point was gained when it was fully demonstrated that this article could be safely and profitably transported from the mining region in Pennsylvania, through the Delaware and Raritan canal, to New York without transshipment.

The joint companies have spared no expense to demonstrate this

fact, and to turn the current of the coal trade through the canal, as will be more fully shown in their statement on the subject of their Pennsylvania coal lands, and the coal operations connected therewith.

In addition to the advances connected with those operations, other encouragements of various kinds have always been held out, either by way of drawback, suited to the current rates of freight, or in other modes, with the fixed and unvaried purpose in view of fostering this important source of revenue to the joint companies. This motive has dictated the whole policy of the companies in all the arrangements they have made on this subject. With a view of testing the experiment of transporting coal in strong steam propellers, constructed in such a manner as to be capable of navigating with security and despatch the various waters branching out from the city of New York, as well as the canal, a resolution was passed by the executive committee of the joint companies, in November 1841, in compliance with a proposition submitted by Commodore Stockton and others, to the effect, that if they would build a certain number of barges to carry coal to Albany, or places east of New York, they should have the privilege of doing so for three years free of toll, paying only the transit duty accruing to the state therefrom. In accordance with this resolution, Commodore Stockton, at considerable expense, constructed four iron steamers of the largest class capable of running on the canal, and employed them for part of two seasons in the transportation of coal and merchandise, (paying toll on the latter) and then sold them. The experiment resulted in a considerable loss to its enterprising projector. It had the effect, however, of turning the attention of other parties to the Albany route, which has since induced the establishment of other lines between Philadelphia and Albany, which have been the source of much profit to the canal company. This arrangement with the Commodore is only adverted to particularly because he was a director of the joint companies, and an explanation of the transaction has been desired by the commissioners. In a general point of view, it is simply one of a series of measures resorted to by the companies (the details of which are in the knowledge of the commissioners) for developing the resources of the canal, with a special reference to the transportation of coal from the mines of Pennsylvania.

In reference to the vessels appropriated by the joint companies to the towing of boats and barges on the Delaware and Raritan, to and from each terminus of the canal, it is proper, in this connection, to add a few words of explanation.

The New Brunswick company having built a large number of canal barges, constantly requiring towage on the rivers Delaware and Raritan, steamboats on each river were put into their charge for the purpose of towing, not only their own vessels, but such others as had not sails, and needed an aid of this sort. They were to defray the expenses of the steamboats, and to credit them with an amount agreed upon by the joint companies for the towage of their own barges, and receive an amount for the proceeds arising from the towage of other boats. As the business of the canal (especially in the department of coal transportation) increased, this branch of operations became of considerable importance; and the joint companies realized from this source, up to the year 1846, when they took the charge of the boats into their own hands, upwards of fifty-four thousand dollars. The rates paid by the New Brunswick company, for the towage of their merchandise and coal barges, have been equal to those paid by others. But it has never been an object with the joint companies to make this branch of business a distinct source of profit, beyond the cost of keeping it in operation. It has been considered as auxiliary to the greater interest of the canal, and as one of the main facilities of its navigation; and the rates of towage have been fixed at such low grades as to offer the greatest inducement to transporters, consistent with the actual expenses incurred, to resort to the canal as a medium of communication between New York and Philadelphia.

The commissioners being already possessed of the details of this subject, it is deemed unnecessary to enter into further particulars with regard to it.

The annexed tables will show the amount of canal tolls, and the charges for steam towage, which have been paid by the Merchants and Swiftsure lines, and by the coal barges of the New Brunswick company, to the joint companies, up to the 1st day of October last, showing a result of \$535,719.81 paid for tolls, and \$269,258.70 for steam towing.

JNO. R. THOMSON, *Sec'y Joint Board.*

January 8, 1850.

Canal tolls paid Delaware and Raritan Canal Company and steam towing to Camden and Amboy Railroad Company.

	FREIGHT BARGES.		REMARKS.		COAL BARGES.		REMARKS.
	Canal tolls.	Steam towing.			Canal tolls.	Steam towing.	
1835	\$7,471 49	\$7,030 00	For bg's of N. B. S. & C. T. Co.	1835		\$2,675 00	
1836	16,713 41	11,405 00	Merchants Line.	1836	\$10,028 48	9,080 50	10 bg's sold to M. B. this year.
1837	18,202 16	11,775 00	"	1837	8,562 90	6,925 00	Barges sold Buckman taken
1838	28,300 41	15,690 50	M. & S. L.—some bg's to Alb'y.	1838	4,199 83	3,800 00	back, Dec. 18, 1838.
1839	32,249 77	15,729 47	"	1839	11,726 37	12,112 00	
1840	30,382 19	15,357 46	"	1840	8,967 53	13,475 00	
1841	29,254 16	13,458 81	"	1841	8,096 88	9,950 00	
1842	19,993 07	11,158 33	"	1842	5,306 06	3,337 50	
1843	24,814 65	11,145 61	"	1843	8,779 73	4,315 84	
1844	34,022 17	10,418 66	"	1844	10,670 80	8,934 75	
1845	37,434 44	8,412 74	"	1845	11,770 82	9,868 75	
1846	34,822 86	8,580 95	"	1846	10,107 05	9,583 88	The coal barges (13 in number)
1847	55,076 04	16,582 73	"	1847			sold Buckman & Carrigan.
1848	40,787 39	11,298 63	"	1848			April 1st, 1847; they paid all
1849	27,479 10	7,156 59	"	1849			tolls of that year.
Oct. 1,	\$437,503 31	\$175,200 48	Freight barges,		\$98,216 50	\$94,058 92	
			Total,		437,503 31	175,200 48	
					\$535,719 31	\$269,253 70	

STATEMENT E.

In the early part of the year 1834, the secretary of the joint board, and transfer agent of the railroad company, since deceased, was found to be in arrears to the company to the amount of \$21,629.83, for instalments on stock. The company, not being satisfied that this amount should stand on his personal responsibility alone, required him to give collateral security therefor. For this purpose he executed to the treasurer, for the use of the company, the following bonds and mortgages, dated February 22d, 1834, *viz*:

\$3,000.00	1. A bond and mortgage for \$3000, on a farm called the Heaton farm, of about 115 acres, near the mouth of Rancocus creek, in Burlington county, and a meadow lot of 33 acres.
6,000.00	2. A bond and mortgage for \$6000, on what was called the Thompson point property, consisting of a tavern house, fishery, and about 300 acres of land, at Thompson's point, in Gloucester county, about twelve miles below Philadelphia.
5,000.00	3. A bond and mortgage for \$5000, on the Atlantic hotel, on Cape island, and on about 130 acres of land in the lower township of Cape May county.
7,629.83	4. A bond and mortgage for \$7629.83, on a mansion house and farm near Mount Holly, in Burlington county, bought of the estate of John Bispham, deceased, about 200 acres.
<hr/> \$21,629.83	

It was soon after discovered that he had improperly issued certificates of stock, to a considerable amount, which he had pledged as security for money borrowed; which certificates the company were obliged to call in, as they increased the capital stock to an amount beyond the limitation of the charter, and no instalments had been received for them. The company was obliged to pay to the parties having possession of this stock the aggregate sum of \$41,795.50, making the total indebtedness of the transfer agent \$63,425.33.

When this fact become known to the board, he promptly came forward and offered to transfer to the use of the company all the

property which he had in his possession, being a large amount of real estate, both in New Jersey and Pennsylvania, as well as a considerable amount of personal property. Accordingly, in the month of June, he conveyed to Joseph H. Dulles and William J. Watson, in trust for the payment of whatever his liability might be found to be, the following property, to wit:

In Pennsylvania.

1. By deed of 20th June, 1834, a tract of coal lands, situate in Norwegian township, Schuylkill county, Pennsylvania, said to contain $839\frac{3}{4}$ acres, and consisting of three distinct but contiguous tracts, called, respectively, the Phoenix park tract, the John Blue or Miller tract, and the Umbehacker tract. The title to some portions of this land was disputed, and in the adverse possession of other parties.

2. By bill of sale, of 20th June, 1834, all the personal property, consisting of tools and mining apparatus, situated on the Phoenix park tract.

In New Jersey.

1. By deed of 23d June, 1834, the Heaton farm and meadow, at the mouth of the Rancocus creek, in Burlington county, above mentioned.

2. By deed of 23d June, 1834, the Thompson point property, in Gloucester county, above mentioned.

3. By deed of 23d June, 1834, the Cape May property, including the Atlantic hotel, above mentioned.

4. A mortgage of 23d June, 1834, on the mansion house and farm near Mount Holly, above mentioned, conditioned for the payment of \$9000, being a sum sufficient, in addition to the previous mortgage of \$7629.83, to cover the whole value of the property.

5. By deed of 28th July, 1834, to Abraham Brown, two lots in Camden, consideration \$800.

In Pennsylvania (additional).

1. By deed of 31st January, 1839, to Abraham Brown, a lot at Schuylkill haven, being a landing lot, numbered 21, on a plot of said town, consideration \$5.

In 1835, the joint board directed Dulles & Watson to convey the foregoing property (transferred in trust to them) to Abraham

Brown, esq., of Mount Holly; in consequence whereof, they executed to Abraham Brown the following deeds and assignments, to wit:

1. A deed, dated 6th March, 1835, for the Heaton farm and thirty-three acres of meadow, on the Rancocus; 2, the Thompson point property; 3, the Atlantic hotel, on Cape island, and the other Cape May property.

2. An assignment, dated 6th March, 1835, for the mortgage for \$9000 on the Mount Holly mansion and farm.

3. A deed, dated 16th November, 1835, for the Pennsylvania coal lands, on the same trust upon which they had been originally conveyed to Dulles & Watson.

In March (15th), 1837, Abraham Brown made an agreement with R. M. & L. Lewis, of Philadelphia, for the sale to them of about 230 acres of the Phoenix park tract, being that portion lying east of the Mine-hill and Schuylkill haven railroad and the west west branch of the Schuylkill, for the sum of \$25,000, the deed therefor to be executed and delivered on the 1st of May following. The Lewises declined this purchase, in consequence of certain defects or doubts in relation to the title, which, as they alleged, were subsequently discovered. After various fruitless negotiations on the subject, it was determined to put up these lands, so bargained to the Lewises, to public sale, the remainder of the coal lands having in the mean time, as we shall presently see, been contracted to J. C. Offerman. They were accordingly exposed for sale, on the 3d January, 1838, at the Exchange, in Philadelphia, and no one overbidding the sum of \$25,000, which Commodore R. F. Stockton bid on behalf of the companies, they were knocked down at that price, and Mr. Brown conveyed them, discharged of the trust, to Com. Stockton. These were, in some respects, considered the most valuable portion of those lands.

In the month of December, 1837, Abraham Brown made an agreement with John C. Offerman, of Pottsville, to sell him the residue of the coal lands, those lying to the westward of the Mine-hill and Schuylkill haven railroad and the west branch of the Schuylkill, consisting of the residue of the Phoenix park tract and the whole of the John Blue and Umbehacker tracts, and then estimated to contain 606 acres, at \$100 per acre, less \$7500, to be allowed to Offerman for extinguishing the claims of a neighbouring coal company to a portion of the lands. The land was to be sur-

veyed, and the estimated quantity was to be corrected by the actual survey.

The articles of agreement were not executed till the 10th of January, 1838, when Offerman paid \$10,000 on the principal, and \$85.55 interest, being the interest on \$17,700 (one-third of the whole purchase money), which was by the original understanding to have been paid in cash on the 11th of December, 1837. The other \$7700 was now made payable, with interest, on the 1st of March, 1838, when the deed was to be delivered; and after that, the other two-thirds, in two annual instalments, on the 11th December, 1838, and 11th December, 1839.

Mr. Brown appeared at the place agreed on, in Philadelphia, for delivering the deed, on 1st March, 1838, but Offerman did not appear. It seems that some difficulty arose about the exact quantity of land. It was finally ascertained, by the aid of a surveyor sent from New Jersey by Mr. Brown, to be 580 acres and 43 perches, which made the purchase money \$58,026.87, and, after deducting the sum of \$7500, before mentioned, reduced it to \$50,526.87.

On the 22d of December, 1838, Mr. Brown executed a deed to Offerman for the 580 acres 43 perches, and Offerman executed, in return, a bond with a warrant to confess judgment, and a mortgage on 548 acres of the property conveyed, and on 571 acres of other coal lands, for securing the payment of \$43,000, the balance of principal and interest then due on the whole purchase, after deducting the said sum of \$7500 and the first payment of \$10,000. These papers were left in the hands of counsel at Orwigsburgh, as escrows, not to be delivered until certain conditions were performed by Offerman. Offerman had in the mean time, early in 1838, procured a charter for a company, called the Offerman Railroad and Mining Company, for digging and selling coal, &c., and had gone into possession of the lands. He also procured some old outstanding claims to the title, and refused to comply with the terms of sale, or to give up possession of the land. Mr. Brown commenced an action of ejectment against him, which was protracted, by various delays, until the year 1841, during which time Offerman, or the company so chartered, had added considerably to the value of the land, by erecting various buildings and improvements on it, opening coal veins, &c., taking out during the same period a considerable amount of coal.

In January, 1841, the joint companies, desirous of terminating the litigation and getting possession of the land, agreed with Offer-

man to submit the whole difficulty to an arbitration. The arbitrators made their award on the 11th of February, 1841, charging Offerman with the interest of the balance of purchase money and rent for the coal which he had excavated, amounting in all to \$8914.80, and giving him credit for the original payment of \$10,000, and \$12,000 for his improvements, directing the company to pay him the balance of \$13,085.20, and Offerman to give up possession of the land.

1841.—Measures were now again taken to sell the land, and on the 2d of December, 1841, they were accordingly exposed for public sale at the Philadelphia Exchange, including the landing lot at Schuylkill haven, and were struck off to Com. Stockton, on behalf of the joint companies, for \$17,438.06. Mr. Brown executed a conveyance to Com. Stockton, and thereupon the joint companies became beneficial owners of the whole tract originally assigned, including the lot at Schuylkill haven. It should be observed that certain portions of the lands have always been in the possession of other persons claiming adversely, and suits are still pending in relation thereto.

On the 30th day of May, 1846, articles of agreement were entered into by R. F. Stockton, with the approval of the joint board of directors, with Robert W. Packer, of Reading, Berks county, Pennsylvania, agreeing, upon the payment of the whole consideration money, to convey the whole tract of coal lands, containing, as then claimed, 813 acres 93 perches, to the said Packer, with a proviso, that if any portion of the lands should be recovered and taken away by any older or better title, that then Packer should be entitled to a reduction of \$100 per acre for all that should be so recovered and taken away. And, on his part, Packer agreed to pay for said lands the sum of \$81,300, with interest from date, in the following payments, *viz*: \$5000 cash down, and \$10,000 during that year (1846), and \$15,000 in every succeeding year, by quarterly payments, until the whole amount should be paid, subject to the condition, that the title be fully established to all the land; and if the land turns out more than \$15,000 worth of coal in any year, at twenty cents per ton, then Packer to pay so much more during that year. Besides some other unimportant conditions, it was further provided, that he should enter into immediate possession of the premises, and pay all assessments and taxes thereon.

This contract is still subsisting, and some payments have from time to time been made thereon. Mr. Packer is deceased, but it is

the intention of his representatives to go on and complete the purchase.

This is the history of the coal lands. The companies have never had any interest in any others, except to lease some neighbouring mines for the purpose of increasing their shipments of coal, as will be mentioned hereafter.

When the companies had obtained to their use the absolute title to the easterly portion of the Phoenix park tract, in January, 1838, the directors conceived the design of making this property tributary to the resources of the Delaware and Raritan canal, by creating and diverting an extensive coal trade through that work, directly from the Schuylkill region to New York. This was a large project, and required the application of considerable capital to carry it out. The experiment of taking the coal boats built for navigating the Schuylkill canal, with a burthen not exceeding sixty tons each, through to New York, thereby avoiding any transshipment of the coal, was resolved on. From Philadelphia to Bordentown, and from New Brunswick to New York, of course, these boats would require to be towed by steam power. The company had already several steamboats attending on the canal, engaged in the towing business. This steam force was increased to meet the wants of the increasing trade; and for the purpose of carrying out the design which they had formed, as above mentioned, they resolved to go to the expense of mining coal on their lands, which had thus been acquired, as well as on adjoining lands, should that be found necessary to render the undertaking effectual. For this purpose, early in 1838, they selected R. B. Neleigh as the agent for superintending the operations of mining and procuring coal, making the necessary erections for the convenience of miners, sinking shafts, and laying the necessary roads to connect them with the nearest public line of communication.

It being necessary to provide the means for transporting the coal thus procured, an agreement was made, at the same time, with A. & R. W. Packer to advance them, by way of loans, the requisite funds to enable them to construct and operate a large number of boats, to run down the Schuylkill canal, and from thence, by way of the Schuylkill and Delaware rivers, to the Delaware and Raritan canal, and so on to the city of New York. The amount advanced by the joint companies for these purposes was the sum of \$117,000, mentioned in the report of the board of directors in 1840. These arrangements, and the motives which led to them, were very fully

explained at the meeting of the stockholders in January of that year, and received their unanimous approbation; and the result has fully equalled the expectations which were from the first entertained by the directors in regard to it. The direct pecuniary returns of that investment, it is true, were never commensurate, and it was never anticipated that they would be commensurate with the amount expended. But the experiment has had the influence to attract to the canal an amount of transportation from the Pennsylvania mines, that has become one of the principal sources of revenue of the joint companies; so that, in an enlarged view of the effects of this investment, an immense pecuniary return has been realized. But the immediate returns of the transaction cannot be said to have involved a positive loss, for the increased value given to the property of the company by the improvements that have been effected, has enabled them to dispose of it on advantageous terms, as has been shown in the foregoing statement, and as the commissioners will more fully see by an examination of the contract with Mr. Packer, which will be submitted to them herewith; so that a security which at one time, it was feared, would not result in any direct advantage to the joint companies, will very probably, with what may be realized from other sources, go far towards cancelling the defalcation out of which it arose. But aside from this, the company have already derived from this source cash payments to the amount of \$64,440.70, including drawbacks of the Messrs. Packer on tolls retained by the canal company, besides an amount of \$17,140.08 in coal. In addition to these sums, the company has several uncollected claims against individuals purchasing coal, or to whom money has been advanced out of the proceeds of coal sold, for the purpose of aiding them in mining operations, amounting to the further sum of \$8,552.99. There is also a balance in the hands of the coal agent, awaiting the adjustment of some unliquidated claims; but what amount, if any, will remain after the settlement of these claims (which are still pending) is uncertain. There is also still due on the contract of R. W. Packer, for the purchase of the coal lands, over \$66,000, principal, besides interest, which is considered good to the amount due, if the claims of the company to the title of the disputed portions should be settled in their favour.

In conclusion, it is proper to say, that Messrs. A. & R. W. Packer have fully settled the amount loaned to them, and a settlement has been had with the agent, Mr. Neleigh, who has duly accounted for all the money that passed through his hands.

It may be added, that the property in this state, assigned by the late transfer agent as aforesaid, has mostly been sold; but being much of it subject to encumbrances, and having involved the payment of other expenses, and the accounts of the late trustee, Abraham Brown, esq., not being yet settled, it is uncertain what amount will be finally realized from that source.

JNO. R. THOMSON, *Sec'y Joint Board.*

January 8, 1850.

REPORT OF ENGINEER OF RAILROAD.

CAMDEN AND AMBOY RAILROAD OFFICE,
Bordentown, N. J., January 1, 1850.

To Messrs. Robertson, Wurts, and Hulme, commissioners.

GENTLEMEN,—In communicating to you the information you desire, I will refer you, in the first place, to a report, made by me in January, 1840, published with the printed report of the directors for that year, giving a particular description of the formation and superstructure of the Camden and Amboy railroad, including its branch from Bordentown to New Brunswick, and the spur from Trenton to Delaware bridge. As a supplement to that report, I will now specify the permanent improvements that have been made to the road since that time, describe its present condition, and give a complete list of the real estate now belonging to the company, observing, by the way, that some items of property, which were enumerated in 1840, will not appear in the list now given, in consequence of having been destroyed, disposed of, or replaced by subsequent erections.

In 1841, the flat rail between the bridge over the Crosswicks creek and Trenton, $5\frac{7}{8}$ miles, was replaced with **I** rail, weighing $47\frac{1}{2}$ lbs. per yard; also $\frac{7}{8}$ of a mile between Bordentown and Camden, near the Pennsauken creek, thus abolishing from the whole road the use of the flat rail.

Between Bordentown and Amboy there have been relaid 1.6

miles of new road with iron rails, weighing $47\frac{1}{2}$ lbs. per yard, laid with cross-sleepers on stone blocks, in 1845 and 6; $16\frac{1}{4}$ miles relaid with iron rails, weighing $64\frac{1}{2}$ lbs. per yard; $10\frac{7}{8}$ miles of this last distance was laid by placing cross-sleepers of oak or chestnut upon the original stone blocks, $2\frac{5}{8}$ miles laid by cross-sleepers resting upon the stone trenches, and the remainder, $2\frac{3}{4}$ miles, laid by placing 6 by 12 inch longitudinal pieces of timber upon the stone trenches, connected by cross-ties, 8 feet apart, underneath the string piece, and the rail laid immediately upon the continuous timber, 10 miles of which were laid in 1846 and 7, and the remainder in 1848 and 9.

There has also been relaid one mile, with rails weighing 56 lbs. per yard; laid upon longitudinal pieces of timber, 6 by 12 inches, laid in 1848.

Half a mile has been relaid with I rail, weighing 91 lbs. per yard, 7 inches high, $2\frac{1}{4}$ inches on the upper surface, and $4\frac{1}{2}$ inches base; laid with cross-sleepers upon stone blocks, in 1849, near Spotswood.

The old, or remaining parts of this section of the road are requiring considerable repairs, by replacing the old and defective rails with better ones.

The bridge over Crosswicks creek has been renewed, with new caps, string pieces, and covering; the posts, sills, braces, and piles have been spliced, and otherwise improved.

The other bridges on this section of the road have been generally repaired since their construction in the same manner.

From Bordentown to Camden, 24 miles have been relaid with iron rails, weighing $47\frac{1}{2}$ lbs. per yard, laid with cross-sleepers; 1.6 miles with new rails, weighing $64\frac{1}{2}$ lbs. per yard, laid with cross-sleepers, and $\frac{3}{4}$ of a mile laid with longitudinal pieces of timber, 6 by 12 inches, and iron rails, weighing 56 lbs. per yard. There has also been laid $1\frac{1}{4}$ miles of road with the old iron rails, taken up on different parts of the road (when the new rails have been laid), cut off at the ends (those that were defective), and placed upon longitudinal pieces of timber, 6 by 12 inches, which makes an excellent road.

But very few, if any, of the original sleepers are now remaining in this section of road. New ones have been substituted, and the road is generally in good order.

The bridges, over Coopers, Pennsauken, Rancocus, and Assisunk creeks have been thoroughly repaired; the upper part of

them entirely renewed, and such piles, posts, and other parts as were decayed, also renewed.

The branch railroad from Bordentown to New Brunswick is in good repair and adjustment. Having been in use for eleven years, the original sleepers are fast disappearing, being replaced by new ones, and, in consequence, there have been many new sleepers placed in the road during the past and two or three preceding years; and the road is at the present time about three-fourths replaced with new sleepers.

The spur of road from Trenton to the Delaware bridge has been much improved. The remainder of the flat rail is replaced with I rail, and during the past year thoroughly repaired with new sleepers.

The turnouts, originally laid with wood rail and flat iron, have been relaid with I rail. Added to this, since the year 1840, $4\frac{1}{4}$ miles of turnouts have been newly constructed, making the total length of turnouts $10\frac{3}{4}$ miles.

Extensive improvements have been made at Amboy, Bordentown, Camden, Trenton, New Brunswick, and elsewhere, by the erection of car and engine houses, shops, wharves, &c.

A description of these, and other property, will be given in detail, with a memorandum accompanying this letter.

It will be observed that the expenses of the railroad have increased very much, since the beginning of the year 1845, over the preceding years. There are various causes for these additional expenditures. About this time it became necessary to commence relaying the road with new iron rails; the sleepers were fast decaying, increase of business required extended and new car and engine houses, wharves, shops, &c., which were built in a permanent manner, besides many new dwelling houses for workmen.

With the view of indicating the character and extent of the outlays which have been made in my department during this period, beyond current expenses and ordinary repairs, I will now specify the principal permanent constructions that have been erected, and the most material causes of extraordinary expenditure that have occurred.

1845.

Grading Camden depot and filling wharf,	\$1,072 00
Camden engine house extension,	880 00
Wharf at Camden and new railroad tracks,	3,690 00

Camden transportation house,	\$5,279 00
New Brunswick engine house,	807 00
Amboy transportation house,	2,107 00
Burlington wharf and improvements,	3,567 00
Smith shops at Bordentown depot,	3,195 00
Carpenter shop " "	4,436 00
Crate house " "	504 00
Iron rails,	15,806 00
Sleepers,	5,273 00
Total for this year,	<u>\$46,616 00</u>

1846.

New wharf at Camden,	\$4,471 00
Camden transportation house,	1,157 00
Carpenter shop at Bordentown depot,	1,137 00
Amboy transportation house,	1,552 00
Crate house at Bordentown depot,	894 00
Dwelling houses for workmen at Amboy,	8,911 00
Burlington wharf and office,	1,358 00
Paint shop at Bordentown,	1,283 00
Grading Camden depot,	1,077 00
Engine house at Bordentown depot,	1,483 00
Iron rails,	59,285 00
Sleepers,	10,501 00
Total for this year,	<u>\$93,109 00</u>

1847.

Trenton transportation house,	\$4,997 00
Bordentown car house (depot),	2,663 00
Iron rails,	74,000 00
New wharf at Bordentown depot,	3,590 00
Camden wharf,	1,385 00
Wood sheds,	1,875 00
Amboy transportation house,	2,595 00
Sleepers,	11,070 00
Total for this year,	<u>\$102,175 00</u>

1848.

Trenton transportation and car house,	\$3,875 00
Car house at Bordentown depot,	3,303 00
Iron rails,	23,029 00
Bordentown paint shop,	661 00
Camden car house,	550 00
Dwellings,	1,000 00
Sleepers,	15,802 00
Total for this year,	<u>\$48,220 00</u>

1849.

Whitehill car house,	\$2,196 00
Whitehill wharf property,	5,276 00
Camden car house,	4,292 00
Dwellings for workmen at Amboy,	5,986 00
Iron rails,	6,660 00
Grading change of location at "Gravel hill,"	3,114 00
Grading Camden depot,	1,460 00
Sleepers,	20,292 00
Total for this year,	<u>\$49,276 00</u>

The cost of sleepers, though not properly chargeable to capital, is included in the above specification, as showing an additional cause for increase of expenditures during the period in question over those of former years.

I will now give a synoptical list and description of the real estate belonging to the company :

REAL ESTATE.

A description and account of the real estate belonging to the Camden and Amboy Railroad and Transportation Company.

First. The property occupied by the railroad itself, from Camden to Amboy, 61 miles and 20 chains (estimated by supposing it to be about one chain in width of land taken for the construction of the railroad), amounts to about 490 acres.

Second. The branch railroad from Bordentown to New Brunswick, 30 miles, 20 miles of which occupies one of the tow-paths of the canal; therefore but 10 miles have been purchased for the branch railroad, which estimated (and is nearly so) at one chain in width, is equal to 80 acres.

Third. The spur of road from Trenton to Delaware bridge, 1 mile and 10 chains, which, at 50 feet in width, will make 6.8 acres.

Fourth. In addition to the above land, directly occupied by the railroad, the company holds a number of gores and parcels of land, which they have been obliged, in negotiation with land owners, to purchase in connection with what was required for the location of the road, or for the purpose of depositing the waste of excavation.

Camden Depot.

The land occupied for the depot, together with the shore property on the Delaware river, is 30 acres,	\$43,790 00
A car house, 372 feet in length and 58 feet in width, and 16 feet in height, 275 feet of brick, and 97 feet frame, with paper roof, four railroad tracks, one platform, the whole length of the building, 16 feet wide, with platforms leading to the ferry slip, built in 1849,	4,942 00
A transportation house, 372 feet long and 75 feet wide, 275 feet of brick, and 97 feet frame, tin roof, two platforms, each 332 feet long, varying from 17 to 10½ feet in width, with four tracks, built in 1846,	6,636 00
Brick engine house, 100 feet long, 51 feet wide, and 16 feet high, with tin roof, four tracks, and three pits, for the purpose of working under the engines,	2,443 00
Transportation office, of wood, 12 feet by 12 feet,	120 00
Two turnrounds, one 40 feet diameter, the other 32 feet diameter,	1,000 00
Five wood sheds, each 134 feet in length and 24 feet in width,	1,800 00
Wharves, piers, and bulk-heads, <i>viz</i> :	
Wharf or pier, 135 feet long and 50 feet wide, next the Camden ferry;	
Bulk-head, 85 feet long, forming part of the front of the car house and transportation house slips;	
Wharf and pier, 380 feet into the river, 27 feet wide, and covered with plank;	

Bulk-head, extending down the river 400 feet;	
Wharf and piers, extending into the river 350 feet, the piers 22, 27, and 38 feet in width, planked over; forming a basin, with the last mentioned pier, for steamboats and other vessels,	\$12,657 00
Buildings for offices, wharves, car houses, and pro- perty between Camden and Bordentown depot;	
Frame office, at Rancocus bridge, 17 feet by 15 feet, with platforms,	200 00
Frame dwelling house, 16 feet square, and kitchen, 10 feet square, to accommodate the man that attends to the draw and pumps the water,	500 00
Water tanks,	300 00

Beverly Station.

Dwelling house, frame, 28 feet by 17 feet, and shed and kitchen, 12 feet by 8 feet, with platforms, for an office and for a man to attend to the office and switches,	500 00
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Burlington wharf property.

Consists of a front of 112 feet on the Delaware river, near the public dock, of which 60 feet is a wharf and landing for steamboats, with passenger office,	5,362 00
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Whitchill Landing.

Brick car house, 160 feet long, 35 feet in width, and 16 feet in height, paper roof, with two tracks, and platform whole length of building, 11 feet wide, with two gangway slips for steamboats, shed, of wood, attached to car house, 54 feet by 15 feet;	
Brick stable, 28 feet by 20 feet, with shed attached, 50 feet in length;	
636 feet of wharf on the Delaware river;	
The above wharf, buildings, &c., are for the purpose of a steamboat landing, to better accommodate the public in the passenger and marketing business, it being found necessary to separate the through transportation from passengers and marketing at the Bordentown depot,	7,473 00

Bordentown Depot.

Ten and a half acres of land,	\$2,918 00
Car and transportation house, 354 feet long, of which 55 feet in length is 57 feet in width, 98 feet is 100 feet in width, 137 feet is 63 feet in width, and 64 feet is 46 feet in width, 154 feet of the roof is covered with tin, and 200 feet is covered with slate, four tracks, one platform, varying from 16 feet to 4 feet in width, and two gangways, with slips leading to steamboat; the whole of one side is built of brick, wall 15 feet high, and 256 feet of the other side brick, and the balance, 98 feet, is wood frame, used for the railroad transportation freight,	14,019 00
Brick house, with slate roof, 80 feet long and 44 feet wide, for baggage crates,	1,399 00
Brick engine repairing house, 90 feet long and 30 feet wide, 16 feet high, metallic roof and fire proof, with two tracks and pits,	3,579 00
Brick house for coppersmith work, 37 feet long and 27 feet wide, board roof,	400 00
Brick office and store room, two stories high, 34 feet long and 19 feet wide, fire proof building, with a fire safe of brick and iron,	950 00
Brick machine shop, three stories high, 76 feet long and 41 feet wide, metallic roof;	
Brick engine house, 255 feet in length and 37 feet in width, 142 feet with tin roof, and 113 feet with slate roof,	14,097 00
Brick blacksmith shop, 160 feet long and 40 feet wide, attached to, and immediately in the rear of the machine shop, containing fourteen forges,	3,254 00
Brick carpenter shop, 150 feet long and 60 feet wide, slate roof, for building and repairing cars, two tracks,	5,573 00
Frame carpenter shop, two stories high, 106 feet in length and 30 feet in width,	1,050 00
Brick paint shop and trimming establishment, two stories high, 55 feet long, 32 feet wide, together with an addition of 95 feet in length and 32 feet in width, one story high, which includes an apartment for drying timber,	1,944 00

Three lumber sheds, two of them, each, 140 feet long and 25 feet wide, the other 180 feet long and 25 feet wide,	\$820 00
Frame building, 57 feet in length and 48 feet in width, for repairing boilers,	825 00
Frame store house, 85 feet long and 30 feet wide, used for storing iron and other material for shops,	400 00
Two wood sheds, each 108 feet in length and 23 feet in width,	980 00
Four wood sheds, each 90 feet in length and 23 feet in width,	832 00
One wood shed, 225 feet in length and 18 feet in width,	400 00
One sheet iron water tank and frame,	300 00
Wharf along Delaware river, 775 feet in length, along side of which all steamboats and other vessels may land; upon this wharf are two capacious coal yards, for boats and other purposes,	15,725 00
Ice house, to supply steamboats, &c.,	500 00
Two turnrounds, of 35 feet diameter each,	1,000 00
Depot superintendent's house and kitchen,	1,500 00
Frame boarding house for workmen, three stories high, 30 feet by 23 feet,	1,600 00
One block of frame dwelling houses for workmen, 64 feet in length and 16 feet in width, four houses,	1,680 00
One block of frame dwelling houses for workmen, 72 feet by 16 feet, four houses,	1,680 00
One block of frame dwelling houses for workmen, 109 feet long and 16 feet wide, with kitchen, 15 feet long by 10 feet, for each two houses, six houses,	2,700 00
One block of frame dwelling houses for workmen, 109 feet long, 16 feet wide, with kitchen, 15 feet by 10 feet, for each two houses, six houses,	2,700 00
Frame house, 34 feet long and 25 feet wide, for workmen,	950 00

Bordentown Station.

Bordentown hotel, three stories high, 100 feet long and 40 feet wide, with dining room attached, two stories high, 60 feet by 22 feet, with stables and other outbuildings attached, frame house, adjoining hotel, 18 feet by 16 feet,	10,280 00
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Lot of ground on Prince-street, 50 feet front, known as the Union line property,	\$300 00
Brick office, roughcast, 48 feet by 23 feet, three stories high, tin roof, with fire-proof and office for passengers, directors' room, &c.,	2,360 00
Frame house on Crosswicks creek, 28 feet by 21 feet,	450 00
Frame dwelling house on Crosswicks creek, two stories high, 34 feet by 16 feet, also kitchen, two stories high, 27 feet by 16 feet,	825 00
Frame transportation house, 58 feet by 15 feet, with platforms,	200 00
Wharf on Crosswicks creek, extending from the Main-street public dock to the railroad bridge over the creek, 372 feet in length, and land extending back to the hill,	10,000 00
Wharf, from Main-street down the creek, 96 feet in length, together with the front on the creek, extending 500 feet, with two frame store houses, one 24 feet by 30 feet, the other 28 feet by 16 feet,	6,175 00

BUILDINGS FOR OFFICES, STATIONS, ETC., BETWEEN BORDENTOWN AND SOUTH AMBOY.

Sandhills Station.

Frame transportation house, 104 feet by 16 feet,	350 00
Frame transportation house, 50 feet by 20 feet, with platforms,	150 00

Gatzmer's road Station.

Frame transportation house, 16 feet by 12 feet, with platforms,	100 00
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Newtown Station.

Frame transportation house, 64 feet by 14 feet, with platforms,	300 00
Water tank,	150 00

Centreville Station.

Frame transportation house, 30 feet by 12 feet,	75 00
Frame transportation house, 52 feet by 14 feet, with platforms,	200 00

Hightstown Station.

Frame passenger office, 22 feet by 16 feet, divided into two apartments,	\$500 00
Frame transportation house, 52 feet by 13 feet,	150 00
Frame transportation house, 28 feet by 18 feet, with platforms,	75 00
Water tank, built of stone and brick,	400 00
Turnround, 40 feet diameter,	500 00

Cranberry Station.

Frame passenger office, 22 feet by 16 feet, divided into two apartments, with platforms,	500 00
Frame transportation house, 40 feet by 12 feet, with platforms,	200 00

Prospect Plains Station.

Frame transportation house, 46½ feet by 12½ feet, with platforms,	100 00
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West's, or Jamesburg Station.

Frame dwelling house, 16 feet by 30 feet, occupied by attendant to tanks, passengers, switches, &c.,	350 00
Frame transportation house, 55 feet by 18 feet, with platforms,	300 00
Reservoir of brick, 38 feet diameter and 9 feet in depth,	1,500 00
Water tank, of wood,	150 00

Spotswood Station.

Frame transportation house, 36 feet by 16½ feet, with platforms,	100 00
Water tank, of wood,	125 00

South Amboy Depot at Wharf.

Frame car house, 140 feet in length and 62½ feet in width, with three railroad tracks, turnround in the house of 36 feet diameter, with platforms and gangways to steamboats,	3,500 00
Brick car house for extra cars, 183 feet long and 45 feet wide, 15 feet walls, board roof, containing four tracks; continuation of brick car house, 156 feet in length and 49 feet in width, 15 feet walls, slate roof, and four tracks,	5,209 00

Frame transportation house, 110 feet long and 56 feet wide, three railroad tracks, platforms, &c.,	\$2,000 00
Frame transportation house, 200 feet in length and 75 feet in width, post 15 feet, four tracks, two platforms, 15 feet wide each, the whole length of the building,	4,000 00
Frame transportation office, 28 feet by 20 feet,	200 00
Frame building, 20 feet by 15 feet, for repairs of cars, &c.,	100 00
Passenger office, two stories high, 40 feet by 20 feet, with three rooms,	1,200 00
Frame shed, or covered way, from end of buildings to face of the wharf, 210 feet long and 35 feet wide, with platforms and slips,	800 00

South Amboy Upper Depot.

360 acres of land;	
Tavern house, brick, three stories high, 82 feet in length by 34 feet in width;	
Barn for tavern, 41 feet by 28 feet;	
Shed or cow house, 49 feet by 19 feet;	
Corn crib, 21 feet by 6 feet,	43,000 00
Brick engine house, 108 feet by 37 feet,	2,600 00
Brick blacksmith shop, 75 feet by 26 feet,	1,150 00
Frame carpenter shop, two stories high, 63 feet long and 28 feet wide,	1,200 00
Frame carpenter shop, 60 feet by 20 feet, part used as coal shed,	900 00
Frame carpenter shop, 60 feet by 20 feet, one track,	925 00
Wood shed, 108 feet long and 30 feet wide,	250 00
Four double dwelling houses for workmen, three stories high, 36 feet in length and 16 feet in width, with kitchen, 16 feet by 12 feet, one and a half stories high, and cellar under whole house,	2,500 00
Five double dwelling houses for workmen, two stories high, 36 feet long and 16 feet wide, with kitchen on end, 16 feet by 12 feet, one and a half stories high, and kitchen behind, 22 feet by 11 feet,	3,125 00
Three double frame dwellings for workmen, two stories high, 36 feet by 16 feet,	1,800 00
One frame house for workmen, 45 feet by 24 feet, with cellar; this building comprises three residences,	950 00

One frame house for workmen, 45 feet by 24 feet; this building comprises three residences,	\$800 00
One dwelling house, occupied by transportation agents,	650 00
One double dwelling house for workmen, 38 by 24 ft.,	700 00
Eight shanty houses for workmen, each 20 by 12 feet,	960 00
Five shanty houses for workmen, each 18 by 10 feet,	500 00
One shanty house for workmen, 16 feet by 10 feet,	100 00
One frame house for a store,	600 00
One market house, two stories high, 28 feet by 12 feet, in the upper part of which is an office, 14 feet by 12 feet, for the use of the superintendent of shops,	500 00
Slaughter house, 20 feet by 16 feet,	50 00
Frame school house, 22 feet by 20 feet,	250 00
One ice house, for use of steamboats, 15 feet by 25 feet,	200 00
One ice house, for use of steam boats, 16 feet by 13 feet,	100 00
Frame stable, 16 feet by 16 feet,	70 00
Large brick water tank,	500 00

Wharves, stone wall, &c.

500 feet in length of stone wall, varying from ten feet to three feet in height, and averaging five feet in thickness; this is built on the lower side of the landing depot, as a protection from the bay ;	
320 feet of wharf, in continuation of the stone wall to the face of the wharf, for the same purpose;	
350 feet in length of wharf on the front of landing;	
1000 feet of wharfing, running from the face of the wharf back to the shore,	32,800 00

BRANCH RAILROAD FROM BORDENTOWN TO N. BRUNSWICK.

Trenton Station.

Frame station house, 113 feet in length and 35 feet in width, containing a capacious passenger office, also a shed attached, 176 feet long and 20 feet wide,	3,266 00
Brick transportation house, 320 feet long and 45 feet wide, with slate roof, with three tracks, and platforms, together with an office,	7,072 00
Brick engine house, 81 feet long and 28 feet wide, with two tracks,	1,800 00
Turnround, 40 feet diameter,	500 00

Six-mile Turnout.

Frame dwelling house, 16 feet by 14 feet, with a shed, built for a man to attend the switches,	\$400 00
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Eight-mile Turnout.

Frame dwelling house, 16 feet by 14 feet, with a shed, built for a man to attend switches,	400 00
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Princeton Station.

Frame passenger office, 34 feet by 16 feet, with plat- forms;	
Frame engine and car house, 75 feet by 24 feet, with one track, and turnround 16 feet diameter,	2,317 00
Two tanks for engines, with frames,	250 00

Kingston Station.

Frame dwelling house with passenger office, 30 feet by 15 feet, with kitchen, 23 feet by 16 feet, and platforms,	650 00
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Dean's Pond Station.

Frame dwelling house, 38 feet long and 16 feet wide, part of which is a passenger office, the remainder for a man to reside to attend the switches,	480 00
Water tank near junction of road with the New Jer- sey railroad,	150 00

New Brunswick.

Brick engine house, 43 feet long and 28 feet wide, two tracks, and turnrounds 32 feet in diameter,	1435 00
Wood shed, 56 feet long and 22 feet wide,	150 00
	<hr/>
	\$341,422 00

In relation to the prices carried out for the cost of the foregoing items of property, it should be observed, that they are, in most instances, considerably below the true amount, being made up, in each case, from specified charges in the books, for materials and special contracts, known to refer exclusively to the items in question; and not including a large amount of labour and materials furnished by the company, and paid for in connection with other things, or with the general expenditures. A more careful analysis

of the expenditures of the company will necessarily have to be made, in order to arrive at a faithful exhibition of the true cost of the works and property here enumerated. This will require a great amount of time and care. In the mean time, it is hoped that the above statement will meet the desire of the commissioners to have such an exhibit made, as the time limited for the purpose and existing circumstances will permit, with a view to afford an approximate idea of the true cost. It is the purpose of the company, as soon as can be conveniently done, to have their books and papers carefully examined by such of their officers and clerks as are best acquainted with the subject, for the purpose of analyzing and separating the expenditures which are properly applicable to the cost and construction of their property, as distinguished from the work of repairs.

All of which is most respectfully submitted.

WM. COOK, *Engineer.*

BORDENTOWN, Saturday, January 26, 1850.

William Cook, whose name is attached to the within report and statement, who was previously sworn before us as a witness, being recalled, on his further examination saith, that the same is true and correct, according to the best of his knowledge and belief.

WM. COOK.

Sworn and subscribed, January 26, 1850, before the commissioners.

AARON ROBERTSON, *Ch'n.*

REPORT OF ASSISTANT SUPERINTENDENT OF RAILROAD.

The following, is believed to be a correct statement of the number, kind, and condition of the cars, locomotive engines, and appurtenances, and of the tools and machinery in the shops of the company, together with an estimate of value on the first day of January, 1850.

First class passenger cars.

5. with 8 wheels each, much worn, value \$1000,	\$5,000 00
9. " " " " in very good condition, \$1200,	10,800 00

2, with 8 wheels each, recently rebuilt, \$1800,	\$3,600 00
2, " 12 " " \$1500,	3,000 00
11, " 12 " " nearly new, \$1800,	19,800 00
6, " " " " " " \$1300,	13,800 00
2, " " " " two-thirds completed, \$1650,	3,300 00

37 first class passenger cars, valued at	\$59,300 00
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Second class, or emigrant passenger cars.

4, with 6 wheels, very much worn, \$250,	\$1,000 00
10, " 12 " in very good order, \$1200,	12,000 00
1, " 8 " " " " " \$1000,	1,000 00
2, " " " altered from first class cars, \$600,	1,200 00

16 second class passenger cars, total value,	\$15,200 00
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Merchandise cars.

61, with 4 wheels, box cars, \$150,	\$9,150 00
42, " " flat " 150,	6,300 00
11, " 6 box " 200,	2,200 00
10, " " " " 300,	3,000 00
11, " " flat " 250,	2,750 00
72, " 8 " " 450,	32,400 00
13, " 12 " " 550,	7,150 00
54, " 8 box " 500,	27,000 00
3, " " altered from passenger cars, \$200,	600 00
342 merchandise crates, \$30,	10,260 00
16 passenger line baggage crates, \$80,	1,280 00
2 iron express crates, \$140,	280 00

277 freight cars, and 360 crates, valued at,	\$102,370 00
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9 snow ploughs, \$150,	\$1,350 00
29 shafts, with 30 in. chilled wheels, for repairs, \$41,	1,189 00
26 hollow shafts, with 38 in. chilled wheels, wrought iron tire, \$85,	1,700 00
21 shafts, with 36 in. wheels on, for repairs, \$30,	630 00
18 new wheels, with wrought iron tire on, \$37,	666 00
65 second hand 36 in. wheels, \$9,	585 00
14 second hand 33 " " 8,	112 00
20 second hand 30 " " 8,	160 00
122 new 30 in. chilled, banded and bored, \$16,	1,952 00
8 " 33 " " " " " " " " " "	128 00
24 dirt cars for road repairs, \$90,	2,160 00

42 extra shafts, with wheels for dirt cars, \$28,	\$1,176 00
3 extra four wheel trucks complete, for freight cars, \$130,	390 00
	<hr/> \$12,198 00

Locomotive Engines.

No.	Diameter of cylinder.	Length of stroke.	No. driving wheels.	DESCRIPTION.	ESTIMATED VALUE.
1	11½	20	2	with pilot, imported in 1831, in good serviceable condition,	\$3,500 00
2	9	20	2	with pilot, being rebuilt,	2,500 00
3	11½	20	2	with pilot, built at Hoboken by company, in 1833, rebuilt at Bordentown, in 1849,	5,500 00
4	9	20	2	with pilot, built at Hoboken by company, in 1833, in good condition,	3,000 00
5	11½	20	2	with pilot, built by E. K. Dod, in 1833, rebuilt at Bordentown, in 1849,	5,500 00
6	13	20	2	with pilot, expansion valves, built by E. K. Dod, in 1833, in excellent condition,	5,500 00
7	11½	20	2	with pilot, built by Dod, in 1833, in a very good serviceable condition,	4,500 00
8	11	16	2	with pilot, built by company at Hoboken, in 1834, nearly worn out,	500 00
9	13	20	2	with pilot, has expansion valves, built by company at Hoboken, thoroughly repaired in 1849, in excellent condition,	6,000 00
10	13	20	4	with four wheel truck, has expansion valves, built by company at Hoboken,	6,000 00
11	11½	20	2	with pilot, built at Hoboken by company, rebuilt at Bordentown, in good order,	4,500 00
12	13	20	2	with pilot, built at Hoboken by company, has expansion valves,	5,500 00
13	11½	20	2	with pilot, built by company at Hoboken, is in very good condition,	4,000 00
15	13	20	2	with pilot, has expansion valves, built by Dunham & Browning,	5,500 00
16	13	20	2	with pilot, has expansion valves, built by company at Bordentown, wants repairs,	5,000 00
17	18	27	8	connected, has expansion valves, built by company at Bordentown, thorough repairs just completed, burns anthracite coal,	10,000 00
18	10½	16	2	with four wheel truck, built by Baldwin, rebuilt at Bordentown, in 1848,	4,500 00
19	10½	16	2	with four wheel truck, built by Baldwin, rebuilt by company at Bordentown, in 1849,	5,000 00
14	11½	20	2	with pilot, built at Hoboken, in very good order,	4,000 00
20	10½	18	2	with four wheel truck, built by Newcastle Co., in very good condition,	4,500 00
21	14	22	4	with four wheel truck, has expansion valves, built by Norris, December, 1845,	6,500 00
22	13½	18	4	with four wheel truck, has expansion valves, built by Baldwin, January, 1846,	5,500 00
23	10½	16	2	with truck, in good working order,	3,000 00
24	10½	16	2	with four wheel truck, built by Baldwin, rebuilt by company at Bordentown, in 1847,	4,500 00
25	14	22	4	with four wheel truck, has expansion valves, built by Norris & Co., January, 1848,	7,000 00
26	14	22	4	with four wheel truck, has expansion valves, built by Norris & Co., February, 1848,	7,000 00
27	14½	20	4	with four wheel truck, has expansion valves, built by Newcastle Co., in 1848,	6,000 00
28	13	34	2	with six wheel truck, has expansion valves, built by Norris & Bro's, May, 1849,	8,500 00
29	13	34	2	with six wheel truck, has expansion valves, built by Norris & Bro's, January, 1850,	9,000 00
*30	13	34	2	with six wheel truck, has expansion valves, building by Norris & Bro's, nearly completed,	9,000 00
				Two new extra tenders for locomotives, nearly complete,	1,800 00
				*Locomotive No. 30 has not yet been received, and only \$1000 has been paid for tender.	\$162,800 00

There are two new extra tenders for locomotives, nearly complete, \$800,	\$1,600 00
6 driving wheels, extra, for locomotive, complete,	792 00
6 front wheels, 4 by 6, with tire on, complete,	510 00
2 forward shafts of wrought iron,	70 00
7 wrought iron crank axles,	1,918 00
1 bronze metal, finished for use,	400 00
3 cast iron crank shafts,	318 00
18 wrought tires, 5 ft. diameter,	1,427 00
8 " " 5 ft. 9 in. "	719 00
12 " " 4 ft. 6 in. "	973 00
6 pilot shafts, with wheels on, complete,	324 00
8 pilot wheels, bored and banded,	144 00

Extra for repairs of locomotives,	\$9,195 00
Less for two extra tenders, nearly complete,	1,600 00
	<hr/> \$7,595 00

Machinery and tools in shops at Bordentown.

1 planing machine and tools,	\$90 00
1 morticing machine " "	50 00
1 " " " "	10 00
1 boring machine " "	30 00
1 whip-saw machine,	75 00
1 large circular saw, tender, and fixtures,	100 00
2 small " " with fixtures,	200 00
1 small turning lathe and tools,	100 00
19 work benches,	171 00
2 iron vices and fixtures,	36 00
70 feet shafting, 2½ inches diameter,	252 00
18 " " 3 " "	65 00
9 pulleys,	45 00
2 work benches in painter's shop,	32 00
	<hr/> \$1,256 00

Blacksmith shop.

10 fires, tools for each, \$75,	\$750.00
Tools for three fires, \$150,	450.00
Small — hammer and fixtures,	250.00
Blower and fixtures,	150.00

Large punching and shearing machine,	\$600.00	
Horizontal drill,	30.00	
75 feet shafting, 3 in., 15 ft. 2 $\frac{1}{4}$ in., and 4 iron pulleys,	75.00	
	<hr/>	\$2,305 00

Boiler makers shop.

1 large lever punch,	\$50.00	
1 small " "	50.00	
2 pair binding rolls,	900.00	
1 lever shears,	250.00	
Hammers, chisels, &c.,	120.00	
Tools in coppersmith shop,	100.00	
	<hr/>	1,470 00

Locomotive repair shop.

11 vices and tools, \$50,	\$550.00	
Hoisting machine and fixtures,	300.00	
1 small lathe and wheels,	75.00	
Taps, dies, wrenches, &c.,	150.00	
	<hr/>	1,075 00

In machine shop, lower floor.

1 large lathe for turning locomotive wheels,	\$1000.00	
1 lathe and boring mill,	300.00	
1 slide lathe and tools,	450.00	
1 lathe and tools,	300.00	
1 machine for cutting key seats,	130.00	
1 planing machine and tools,	700.00	
2 drilling machines and tools,	400.00	
7 vices with tools, \$25,	175.00	
Grindstone and stove,	20.00	
3 feet shafts 3 $\frac{3}{4}$, 50 ft., 3 in., and 16 pulleys,	250.00	
	<hr/>	3,725 00

Machine shop, second floor.

1 lathe and tools,	\$450.00	
2 lathes and tools, \$400,	800.00	
1 small lathe and tools,	200.00	
1 planing machine,	350.00	
1 machine for boring brass,	100.00	
1 machine for dressing nuts,	150.00	
1 screw cutting machine,	300.00	
2 drilling machines,	300.00	
1 screw cutting machine,	250.00	

12 vices and tools, \$30,	\$360.00	
Tap ^s , dies, &c., in the room,	700.00	
Grindstones and stoves,	20.00	
80 feet of shafting 2 $\frac{3}{8}$ diameter, and 16 pulleys,	304.00	
	<hr/>	\$4,284 00

Machine shop, third floor.

1 lathe,	\$300.00	
1 small lathe,	100.00	
5 benches \$5, \$25, stove and pipe, \$10,	35.00	
	<hr/>	435 00
One large double stationary engine and boiler for driving machinery of shops,		6,300 00
		<hr/>
		\$20,850 00
1 horse power machine,	\$75.00	
1 stationary engine and boiler,	450.00	
	<hr/>	525 00
		<hr/>
		\$21,375 00

Stock and tools at South Amboy.

2 forges and tools in smith shop,	\$236.00	
2 old anvils \$20, 5 vices \$40, jack screws \$48,	108.00	
2 sets blocks and fall \$30, 30 trustee \$150,	180.00	
38 barrows \$150, 1 pr. mules and harness \$200,	350.00	
	<hr/>	874 00

Materials.

Paints, glass, &c. \$40, 1200 lbs. bar iron \$48,	\$88.00	
5000 ft. b. m. lumber for cars \$30 per m.,	150.00	
5 tons scrap iron mixture, wrought and cast,	110.00	
	<hr/>	348 00
		<hr/>
		\$1,122 00

*Rough estimate of the quantities and value of materials on hand at
shops of company.*

146,500 feet ash plank, \$20 per m.,	\$2,930.00
11,500 " yel. pine, 30 "	345.00
1,000 " maple, 40 "	40.00
5,000 " cherry, 25 "	125.00
8,000 " oak, 25 "	200.00
24,200 " pine, 16 "	387.00

17,000 feet pine,	\$16	"	\$272.00
8,900 " w. wood,	25	"	222.50
19,500 " w. pine,	16	"	312.00
126,100 lbs. new bar iron, 4 cents,			5,044.00
30,000 " boiler iron, 5 cents,			1,500.00
5,000 " cast steel, 14 cents,			700.00
6,000 " spring, 8 cents,			480.00
1,400 " block tin and zinc,			420.00
6,480 " copper locomotive tubes, 20 cts,			1,296.00
1,355 " sheet copper, 22 cents,			298.10
4,651 " old copper, 16 cents,			744.16
2,500 " steel springs, 10 cents,			250.00
2,000 " wharf bolts, 4½ cents,			90.00
4 pile driving hammers, 7200, 2½ cents,			180.00
20,000 lbs. (sterling) pig iron, 1½ cents,			300.00
290 tons wrought scrap and old railroad iron, \$30,			8,700.00
140 tons broken cast iron, \$22,			3,080.00
9 " old tire, \$30,			270.00
15 " scrap spring steel, \$30,			450.00
80 " cast iron railroad chairs, \$55			4,400.00
Nails, spikes, screws, &c.,			200.00
			<hr/>
			\$20,678 26
			<hr/>
			\$33,235 76
13 hand cars for road repairs, \$90,			\$1170 00

Summary of estimated value.

First class passenger cars,	\$59,300
Second " " "	15,200
Merchandise cars and crates,	102,370
Extra shafts, wheels, and trucks for cars,	7,512
Snow ploughs,	1,350
Dirt cars, and extra wheels and shafts for do.,	3,336
Locomotives, engines, and tenders,	162,800
Extra shafts, wheels, and tires for engines,	7,595
Machinery and tools in shops at Bordentown,	21,375
Stock and tools at South Amboy,	1,122
Materials on hand at Bordentown,	33,235 76
Hand cars for road repairs,	1,170
	<hr/>
	\$416,365 76

ROBERT S. VAN RENSSELAER, assistant superintendent of the Camden and Amboy Railroad and Transportation Company, being duly sworn, says the annexed writing contains a true statement and estimate of the personal property of the said company, of the several kinds therein mentioned, according to the best of his knowledge and belief.

R. S. VAN RENSSELAER.

Sworn and subscribed before the commissioners, February 7, 1850.

AARON ROBERTSON, *Ch'n.*

REPORT OF ENGINEER OF CANAL.

An account of the Delaware and Raritan Canal and Feeder, and their appendages.

The property of the Delaware and Raritan Canal Company consists principally of two canals, known as the "main canal" and the "feeder," the latter intersecting the former at the city of Trenton.

The main canal extends forty-three miles in length, from the Delaware river, at Bordentown, in a generally northeast direction, to the Raritan river, at New Brunswick. It forms, with the tide waters with which it unites at each end, a communication of about one hundred and ten miles in length, between the cities of New York and Philadelphia; and it thus, also, forms a link in the chain of inland navigation between the eastern and southern states of the Union. It is seventy-five feet wide at the surface of the water, and full seven feet deep. The banks were made two feet higher than the water, ten feet wide on the top, with slopes of two feet base to one foot rise. This canal was built with fourteen locks—seven west of the summit, overcoming an elevation of fifty-seven feet; and seven east of the summit, overcoming an elevation of fifty-eight feet. These locks are twenty-four feet wide, with a space of one hundred and ten feet between the gates, from point

to point, and a total length of one hundred and sixty-five feet. The lock walls have cut faces, and are laid, like the other masonry on the canal and feeder, with hydraulic cement. Boats of the largest class are in extensive use, commonly carrying about one hundred and ninety, to two hundred tons. The canal is supplied with water, through the feeder, from the Delaware, except the level of five miles in length next New Brunswick, which is supplied from the Raritan.

The feeder commences at Bull's island, and runs twenty-two and a half miles, in a southeasterly direction, down the valley of the Delaware, to the summit level of the main canal at Trenton. For the greater part of this distance the water is sixty feet wide at the surface, and six feet deep. The banks are commonly of the same height, width, and slope as those of the main canal. The feeder was built with one lock, of ten and a half feet lift, and two guard locks, without any lift. Besides its use as a feeder, it forms part of the channel through which the coal from the Lehigh and Wyoming valleys is carried to the city of New York.

In order to show particularly the condition of these works, it is necessary to describe them more in detail.

The entrance from the Delaware into the main canal is at the mouth of Crosswicks creek, about thirty miles above Philadelphia. The tides of this creek always keep open a clear and deep passage to the central channel of the river, the navigation of which is good below this point. The creek and the wharves and basins erected by the company afford an ample and safe harbour for a large fleet of vessels.

From this point the canal runs, over the lowlands along the margin of the river, four miles in a north northwesterly direction to Lamberton; then rises, and runs upon a table land, two miles north to Trenton, crossing the Assanpink creek by a culvert, having an arch of thirty-six feet span. At Trenton, the summit level begins, and extends nearly fourteen miles northeast to Kingston: running first five miles up the valley of the Assanpink; then three miles through a moderately deep cut in Lawrence meadows, a depression in the ridge that divides the waters flowing east and west; then down the valleys of the Stonybrook and Millstone river, leaving Princeton one mile to the north, and crossing the Millstone by an aqueduct having one hundred feet in width of water way. From Kingston, the canal runs down the valleys of the Millstone and Raritan rivers, in a north northeasterly direction sixteen miles,

to Boundbrook; then turning southeast, it runs seven miles farther to New Brunswick.

In front of this city, a pier sixteen feet wide encloses a part of the bed of the river, retaining the water at the height of high tide, and forming a basin from one to three hundred feet wide, and nearly a mile long. The outlet lock, at the lower end of the city and of this basin, is thirty feet wide, and one hundred and thirty feet long between the gates.

The New Brunswick branch of the Camden and Amboy railroad runs upon the southeastern bank of the canal, nineteen miles from Bordentown, nearly to Kingston.

The soil on which, and with which the canal is constructed, is for the most part loam; in a few places gravel or clay is met with. For a short distance the soil is a deep marsh, composed of vegetable matter. Along the valley of the Assanpink there are several cuts through a hard gneiss rock. Along the Stonybrook, Millstone, and Raritan, the canal follows the foot of the sandstone and red-shale highlands, that form the southeastern boundaries of the valleys of those streams. Part of the prism of the canal is commonly cut in those rocks; they afford an excellent foundation for the mechanical structures. The fragments of rock excavated were used to make a solid covering to the banks, especially on the outside, and of course add greatly to their stability. The loamy soil, confined by such a covering, where the fragments are carefully excluded from the interior,* makes a remarkably tight and safe bank. For a part of the distance, however, the redshale will not resist the action of the water and the frost, and where exposed requires to be covered with wall made of stone from a distance.

Where the banks of the canal are liable to abrasion by the neighbouring streams, they are protected by slope walls; eight of the ten miles next New Brunswick are so protected. The slope walls, on both the canal and feeder, have never failed to give complete protection to the banks, of which they form the surface, however violently the floods or ice may have borne against them.

To protect the banks from the abrasion of the water of the canal itself (where not already sufficiently protected by a rock facing), stone walls have been recently built along the water line of the

* When such fragments found their way into the interior of the bank, and caused leaks, they were, after the opening of the canal, carefully replaced by water tight soil.

canal, commonly about three feet in height, and altogether thirty-five miles in length.

A guard bank, three miles long and about seven feet high, protects the part of the canal next Bordentown from damage by the floods of the Delaware. Another guard bank, four miles long, averaging some ten feet high, protects the summit level from overflow by Stonybrook. At five different places, east of the summit level, the bank of the canal, on the side next the Millstone and Raritan rivers, is raised three or four feet above the usual height, for an average distance of a mile at each place, to protect the canal from overflow by those streams.

Five miles above New Brunswick the water of the Raritan is raised to the proper height to flow into the canal, by a dam across the rocky bed of the river, eight feet high, flanked by abutments and guard banks, raised above the highest floods.

The water that accumulates in the canal, from the drainage of the adjacent fields after heavy rains, is discharged by sixteen wastewiers, having a collected length of more than three thousand feet, and by five sets of wastegates.

There are twenty-three road bridges and four farm bridges over the canal, all turning on pivots, to allow masted vessels to pass. There are twenty houses to accommodate the persons who attend the bridges, and fourteen houses to accommodate the lock tenders. Fifteen basins, mostly owned by individuals, open into the canal at different points. The company have six store houses and buildings for offices.

Twenty-one streams (not including the Assanpink and Millstone) are crossed by culverts, varying from four to thirty-six feet in width of water way.

The ground at the western terminus of the canal is a deep marsh. The original outlet lock, built in this marsh, contains the only masonry connected with the whole canal or feeder which has not a foundation of unquestionable solidity. To provide against the remotest danger of interruption of the navigation, and to meet the wants of the increasing trade, by providing more ample harbour room for the great number of vessels arriving simultaneously at high water, and means of quicker entrance into the canal than had been originally provided, an additional communication with the Delaware was made during the seasons of 1847 and 1848, including a lock, basin, and wharves. The old lock was secured with

great care five years ago, since which time it has not given any indications of failure.

The feeder communicates with the Delaware at the head of Bull's island, in a deep natural pool, part of which is widely known as "Black's eddy." It then occupies the natural channel, between Bull's island and the Jersey mainland, for three-fourths of a mile. The current is here regulated by a guard bank across this channel, with a guard lock, flood gates, &c.; and a safe and capacious harbour is thus formed for boats and rafts.

From this point to Prallsville, some three miles, the feeder follows the immediate margin of the river. At Prallsville is another guard lock. From this point to the junction with the main canal at Trenton, a distance of nearly nineteen miles, it runs upon the lowlands, or along the foot of the hills that bound the valley of the Delaware on the northeast.

A great portion of the feeder is excavated partly in the sandstone and indurated redshale rocks which form the hills just mentioned. The fragments of these rocks were used to cover the sides of the banks, either loose or laid into walls, and keep the loam, which forms the water tight interior, in its place. Where the feeder approaches the river, it is protected against the floods by heavy slope walls. Between Prallsville and Bull's island the banks, being so constructed as to be overflowed during freshets, are strongly protected by walls on both sides. About eight miles in length of feeder is walled. Below Prallsville is a guard bank, a mile and a half long, between the feeder and the river, some ten feet higher than the water of the former.

The feeder has a descent toward Trenton of two inches to the mile.

The original intention to form a communication between the feeder and the Delaware division of the Pennsylvania canal, and through that with the Lehigh and Wyoming coal fields, was, owing to causes beyond the control of the company, not effected until since the year 1847. The state of Pennsylvania then authorized the connection to be made at the head of Wells' falls, fourteen miles from the junction of the feeder and main canal. In the seasons of 1847 and 1848, an outlet, with a lock of eleven feet lift, was made from the feeder into the Delaware, and the river was deepened across to a channel cut into the Pennsylvania canal. The loaded boats enter here, below the lift lock in the feeder, and go with the

current to Trenton, and encounter no further lockage, except the fifty-eight feet beyond Kingston.

The Belvidere Delaware railroad, now in progress, will run upon the westerly, or present towpath bank of the feeder, seventeen or eighteen miles. A new towpath, on the opposite side, is in course of construction.

There are on the feeder twenty road bridges, twelve farm bridges, and one towpath bridge, all made to turn on pivots; twenty-three houses for lock and bridge tenders; thirteen culverts, having each from six to eighty-four feet width of water way; ten wastewiers, having a collective length of half a mile, and eight sets of waste or flood gates. Five sets of these flood gates are at or above Prallsville, and are used principally for washing out the sediment that is sometimes deposited during freshets in that part of the feeder. Most of these last have been built recently. They are found to answer the purpose completely.

The works of the company cover about ten hundred and fifty acres of land. Besides this, the company own lands; damaged or separated from farms, amounting to upwards of four hundred acres. Of this, part contains quarries, gravel pits, and growing timber, which furnish materials constantly required for repairs and constructions; part is occupied by the lock and bridge tenders, and part brings in a small rent. The company own about eight hundred feet front of wharf on the New Brunswick basin and on the Raritan below the outlet lock. These wharves have been recently extended, to give accommodations to the large fleets that arrive there at high water.

Two mills at Wells' falls, on the Delaware near Lambertville, damaged and purchased on the construction of the feeder, but not destroyed, still belong to the company, but will be removed to accommodate the Belvidere Delaware railroad. The water power connected with them still remains, and may become valuable.

The large amount of surplus water under the control of the company, above the amount required for purposes of navigation, has been to some extent used for manufacturing purposes. The whole Raritan may be so used at New Brunswick. Five mills at Lambertville, and several other mills on the feeder, are supplied with this surplus. The water passing around the locks, especially that in the feeder near Lambertville, may also be used to drive machinery.

The company are well supplied with the necessary apparatus for

keeping their works in order. Among these, are a steam dredging machine, with four scows; eight boats used in repairs, &c.; seven of which contain boarding accommodations for workmen; cable and other chains, screws, carpenter shops, and tools for two hundred workmen.

BORDENTOWN, January 12, 1850.

To the President and Directors of the Delaware and Raritan Canal Company.

GENTLEMEN,—Pursuant to your instructions, I submit an account of the improvements added and repairs done, within the last ten years, to your works, and my views of their present, as compared with their former condition.

The improvements have been made to meet the wants of new and of increasing trade, or to afford additional protection to the original works. They are principally as follows:

1. The connection at Wells' falls, between the feeder and the Delaware division of the Pennsylvania canal. A short canal was made from the feeder to the Delaware, with a lock of eleven feet lift, built of substantial masonry, and of the same size as the locks of the main canal. A channel across the river was excavated in the rock, where the depth was not already sufficient, connecting with a lock and short canal from the river to the Pennsylvania canal. A strong wire rope was stretched over the river, from shore to shore, to which the boats are attached, laid diagonally to the stream, and carried across by the current. This connection was completed in the summer of 1848, since which time it has been in full and successful operation.

2. About twenty houses for bridge tenders on the feeder, not necessary before the connection at Wells' falls was made.

3. The new outlet at Bordentown. This consists of a short canal and inland basin, protected by a heavy guard bank, a lock of ten feet lift, and an extension of the wharves at the mouth of Crosswicks creek, to increase the harbour room. Owing to the unfavourable character of the ground, a lock formed of timber was built in preference to one of masonry, as possessing in this case much greater security. The total length of this lock is 173 feet, the extreme width 54 feet, and the whole height 22 feet, with a chamber of the usual size. This structure was formed of large timbers, carefully jointed, thoroughly braced, and strongly fastened by dove-tailed timbers, bolts, and 30,000 large treenails. It was built upon

a neighbouring wharf, launched like a ship, sunk in a pit previously dredged out, the bottom of which was made accurately smooth and level, and loaded down with two thousand tons weight. The foundations were then carefully secured by extensive and accurately fitted sheet pilings, and by substituting the best materials, brought from a distance, for the marshy soil immediately around it. This lock has been in operation since the summer of 1848. Though formed of wood, the parts that are not easy to replace are always submerged, and therefore not liable to decay.

4. Extension of wharves on the Raritan below the outlet at New Brunswick, for the convenience of vessels about to enter the canal, or waiting to leave with the tide.

5. New guard banks, additions to the original guard banks, and new protection walls, to guard against the floods of the neighbouring streams. The necessity for most of these was shown by the great flood of 1841, by far the greatest ever known in the Delaware. Several years trial of nearly all these means of protection against floods, justifies us, I think, in concluding that no further additions will be necessary.

6. Lining walls to protect the banks from abrasion by the water, in the canal itself. These walls are in most cases about three feet in height, built partly under and partly above the surface of the water. Thirty-five miles in length are completed, and the stone is on the ground for two and a half miles more. For three miles the banks have been protected by plank piling. Most of this work has been done within the last two years. Eight thousand dollars have been expended on it during the year just past. It will be advisable to extend the lining walls, at an expense of five or six thousand dollars a year, for two or three years to come, after which no further lining will probably be required.

7. Means of removing the sands deposited during freshets in the upper three miles of the feeder. These means consist of five sets of flood gates, at different points, having altogether nearly one hundred feet of opening; and also, in some places, of enlargements of the feeder beyond the original dimensions, to obtain a more perfect control of the water for scouring out the sands. These contrivances are completely successful, and save the heavy expense formerly necessary.

8. Excavations below the original bottom of the canal, under and near bridges, to enable persons navigating very large vessels to retain a more perfect control of them than they could otherwise

have at those contracted places, and thus save both vessel and bridge from damage.

9. About six hundred-feet in length of new wastewiers, secured by heavy walls. These were found by experience to be necessary to prevent the water, after heavy rains, from rising in the canal to a dangerous height.

The repairs made upon your works have been required principally from the following causes :

1. Damage by floods. The most serious damage of this kind was caused by the great flood of 1841; though the damage then was light, compared with that sustained on many other works. Since the completion of all the present means of protection, the floods have not done much injury.

Under this head may be included the deposits of sand at the upper end of the feeder, already mentioned.

2. Dangerous leaks and breaches, caused by the pressure of the water in the canal. As on other new canals, situated like this, it was, at an early period, often necessary to excavate longitudinal trenches in the banks far below the water line, and fill them with water tight materials. No damage coming under this head, or necessity for the precautions mentioned, are remembered to have occurred within the last three or four years.

3. Abrasion of the banks, and movement of the loosened soil from the water line towards, or to the bottom. Every winter the sediment that threatens to interfere with the navigation is carefully removed. A steam dredging machine has been employed in clearing out the sediment, and commonly excavating below the original bottom. On the whole the present bottom is, near the sides of the canal, higher in most places than the original bottom. This is much more than compensated by the increased height to which the water is raised, it being generally eight inches above the original surface. The lining walls, as already mentioned, will save the banks, and prevent the deposit on the bottom.

4. The settling of the banks, now nearly or quite ceased, and the increasing height at which the water is kept. Much of the large expense charged to repairs during the last two years was for raising the banks above their original height, and of course produced a real improvement.

5. Wear of towpath. This increases as the trade increases.

6. Decay of, and accidents to the woodwork. Since the great increase of trade on the feeder, its bridges have been put in a condition not before necessary. The other woodwork has been re-

newed as decay has taken place, and the woodwork generally is in good order. Drop gates, at the upper ends of the locks, are substituted for the horizontal swinging gates, as fast as renewals are required. Two were put in last winter, and three more are now ready. These are charged to the repair account, though the expense is much greater than that of replacing the gates on the original plan.

There are repairs required, from other causes than those above mentioned, such as repointing masonry, repairing fences, houses, iron work, &c., but no one class is of large amount. There are other expenses, not properly repairs, but included with them, such as for lines for securing the vessels in the locks, removing accidental obstructions or sunken vessels, and removing aquatic plants that obstruct the water in the feeder.

The old outlet lock at Bordentown, about which some apprehensions were entertained five years ago, and which was then carefully secured, has not since given any indication of failure.

No other masonry on the whole canal or feeder has ever given cause to suspect the safety of its foundation.

During the past season no pains or expense, when necessary, has been spared to keep the navigation perfect, and prevent even the slightest interruption to the trade.

I am decidedly of opinion that the work charged to repairs within the last ten years is more than sufficient to cover all depreciations, or, in other words, that the improvement of the work exceeds in value the amount charged to capital.

The substitution of a large class of boats, for the small boats formerly employed in the transportation of the Schuylkill coal, will add very considerably to the capability of the canal.

All which is respectfully submitted.

ASHBEL WELCH,

Engineer of the Delaware and Raritan canal.

ASHBEL WELCH, being duly sworn, deposeth and saith, that the foregoing description of the works of the Delaware and Raritan Canal Company, and the statements made in the foregoing report, signed by him, are true, to the best of his knowledge and belief.

ASHBEL WELCH.

Sworn and subscribed to, before the commissioners, at Bordentown, on the 31st of January, 1850.

A. WURTS, *One of the commissioners.*

TESTIMONY.

BORDENTOWN, September 26, 1849.

Examination of witnesses before the commissioners appointed by the legislature of the state of New Jersey, by joint resolution, approved February 13, 1849, to investigate certain charges made against the directors of the Delaware and Raritan Canal, and Camden and Amboy Railroad and Transportation Companies.

The joint companies having laid before the commissioners two manuscript books or statements (prepared by request), purporting to contain or show the whole amount of the transportation business upon the canal, in the boats and barges of the Merchants and Swiftsure lines, from the year 1840 to 1848, both inclusive, with the whole amount of tonnage that should have been returned during that period for transit duty; and having also produced certain estimates of the weight of cargo of several trips in each month during that period—

The following named persons were produced by the companies, as witnesses, to verify the said statements and estimates:

J. Gilbert Sweet, being duly sworn, did depose and say—I was engaged in assisting to make an estimate of the cargoes on the manifests of the Merchants and Swiftsure lines, at Princeton basin, a few weeks since; I was engaged from the 26th of June last, to about the tenth of September, inst., being absent at intervals during that time for about two weeks altogether. I made estimates myself, at the request of the officers of the canal company. I am in the employ, and have been for some time, of J. & N. Briggs, of New York, since the year 1842; part of their business is the agency of the Swiftsure line, between New York and Philadelphia; they are the sole agents of that line in New York; so far as I know, they have been the agents for that line ever since I have been with them. I have been receiving clerk, that is, receiving goods to go to Philadelphia, and afterwards discharging clerk of the goods that

come from Philadelphia to New York ; I am at present engaged with them, and have been since May, 1848, as head clerk, having oversight of the rest ; we denominate the situation, head book keeper. My situation has been such as to make me familiar with the weight of goods transported ; constantly familiar with seeing all kinds of goods handled ; almost every kind of merchandise is carried by that line ; some goods are carried by weight, some by the piece, and some by the foot. In estimating weight of a cargo from the manifests, I think I have a reasonable degree of certainty at coming near the truth ; in taking an ordinary assorted cargo of one hundred tons, I think I can come within five or ten tons, at the outside ; in my opinion, I could come within eight tons of an average per barge ; I think I could come very near the truth ; I think I could come nearer the truth, on the average of a large number of cargoes, than on the estimation of a single detached cargo. My examination extended from 1840 to 1848, both inclusive. I can't tell the proportion examined on the plan of taking twenty trips in a month, it was a third or more. I also examined others before ; was engaged in estimating for three weeks before commencing that way ; some of the others engaged in the work seemed to depend upon me, when at a loss ; the estimation was under my charge in general. The estimation being shown to witness, says, those with my initials are made by myself ; I made what I deemed a liberal estimate, especially when we took twenty a month, more so than I did previously ; those I made before I believed at the time to be near the truth ; the estimates in the main were about the same as those made at twenty the month ; some articles we ascertained we were not precisely correct about, the article of molasses was one thing, and sugar the other ; we intended to make it liberal all the time ; we estimated molasses at 1000 lbs. per hogshead first, and sugar about the same ; afterwards we estimated molasses 1300 lbs. per hogshead, and sugar at 1200 lbs., that is, when we did not actually know the kind and weight. I have since found the estimate of sugar was very liberal, of course there is a variation ; we decided that molasses would weigh 1300 lbs. ; some sugars weigh 800 lbs. per hogshead, and ; when we knew the kind, we put them down so, others weigh 1100 lbs. to 1300 lbs. per hogshead, and we thought 1200 lbs. a fair average.

I ascertained how much a gallon of molasses weighed, and how many gallons a hogshead contained on the average ; the weight of the cask was added in all cases. In estimating the weight of mer-

chandise generally, the package, box, or cask or other enclosure is included in the estimate; in estimating the weight of general merchandise, not having a known weight; if they were hardware, which we ascertained by the name of the consignee or shipper, we ascertained the weight by the amount of freight, as we have a certain price for certain descriptions; if they were dry goods, we ascertained in the same manner, and all other articles not known were ascertained in the same manner; I also, by the amount of freight, make estimates of the Merchants-line manifest; I am acquainted with their prices in the main, their tariff of freights are the same as ours for the same articles; there is no difference in the kind and character of the articles carried by both lines.

The Swiftsure line is allowed, in certain cases, to take goods at lower rates than the Merchants line; when that occurred I could tell on the manifests. We intend to take all the freight we can, and rather than let it go in other lines we take it for less. All the estimates were made in one office, at Princeton; the estimates made by the others pretty nearly agreed with mine; in taking the whole estimates, I think they rather exceeded than fell below the truth.

Adjourned to to-morrow morning, at eight o'clock.

BORDENTOWN, September 27, 1849.

Examination of J. G. Sweet resumed.—In the year 1848, to which my attention is now called, and which I have been examining to some extent, the cargoes of corn and other cheap cargoes were carried to a much greater extent than in previous years, and the cargoes were more often entirely of that kind, and they were mostly from Philadelphia to New York, in the Swiftsure line; the manifests I have been examining this morning are chiefly of that kind, cheap articles. I was instructed by the company to make the estimates liberal, rather above than below. In selecting the manifests to be examined, when examining at the rate of twenty per month, I took the manifests falling on the day fixed on, as near as we could get to the date, unless it had been previously taken on the other plan; we came as near the date as we could without taking them; the days specified were the 1st, 7th, 13th, 19th, and 25th of each month. There has been variation in the rates of freight from the year 1842 to 1848, from year to year, sometimes up and sometimes down; the rates of freight, in the general run, were higher in the former years than in the latter years, except the year 1847. This remark applies to all kinds of merchandise,

but more particularly to coarse goods; there was not so much difference in general merchandise. We paid regard to this circumstance in making our estimates; we made our estimates according to our recollection of the current rates of the year; I excepted 1847, as our rates in that year were as high as in any previous; we had more business in that year, by a considerable proportion, than in any other year; this I know to my personal knowledge for the seven years I had been there, and I know it from the books for the two previous years; the rates of freight in 1848, on common goods, were generally lower than in previous years.

The rates of freight from New York to Philadelphia are generally higher than from Philadelphia to New-York; the Swiftsure and Merchants lines have the same tariff of freights, but if any articles are to be taken at lower rates, in consequence of opposition, the Swiftsure is the line designated to do it; in the Swiftsure line Messrs. J. & N. Briggs and witness are the persons to make a deduction in freight, if any is to be made. The Merchants and Swiftsure lines used the same barges formerly, of late years the steam propellers are appropriated to the Merchants line; the names are, the Vulcan, Anthracite, Ironsides, and Black Diamond; and if the merchants line wants a barge, they take it indiscriminately. If the Swiftsure line is out of boats, we are authorized to charter others. The aggregate number of boats belonging to both lines is twenty-four. We do not send off our boats at regular stated periods, sometimes once a day, sometimes every other day, sometimes full and sometimes not half full; if we have plenty of boats, and they want them in Philadelphia, we send them off pretty fast, and if we are scarce of boats we keep them loading two days, our rule is not to keep them longer. The shortest trip of a barge from New York to Philadelphia is eight days; they have been as long as from two to three weeks making a trip, the average, I should think, would be as much as fifteen days at least, that is, excluding the steamers; my understanding is, that the Merchants line sends a boat every other day, and as much oftener as they can. The manifests are intended to show the whole amount of cargo sent. As far as my knowledge extends, since I have been book keeper, every thing has been truly entered on the books here produced as the books of the Swiftsure company. At the beginning of 1848 we did not make an estimate of tonnage, to send to the collector at Princeton; previous to 1848, it was not the practice of J. & N. Briggs to send any estimate to the collector, but merely a toll-list of the articles,

so many articles, such as hogsheads, barrels, chests of tea, &c.; the practice of giving an estimate of the tonnage was not until the middle of 1848; since that time we have endeavoured, by all the means in our power, to send the actual tonnage with the vessel to the collector, and it appears on the manifest; when we send a barge from our office, we send with that barge a slip of paper headed toll list of Swiftsure barge, from New York to Philadelphia, with the date, which sheet of paper contains an enumeration of the principal articles of the cargo, at the bottom of which we put down an estimate of the cargo in the whole; we call it all superior cargo, a very small proportion is called inferior; we do not discriminate between superior and inferior in the cargo, I mean superior and inferior with reference to transit duty, as distinguished by the charter of the canal company. It is my duty to prepare the toll list; it is prepared for the benefit of the collector, and the captains of the barges are requested to deliver it to him. I also prepare the manifests, and send them by mail to our agents in Philadelphia, Wm. M. Baird & Co.; they are intended to arrive there before the boats; there is no estimate of tonnage on the manifests, we keep the original and send a copy; this is the practice of the office at this time. The names of the persons who assisted in making the estimates, are Samuel Thompson, myself, Abiel Abbot, A. Heckman, and Wm. H. Loper; they were the ones who made the estimates. The plan of taking twenty a month, was because we thought it fairer, making it an arbitrary rule, and one to which no exceptions could be taken. The barge *Whale* is registered one hundred and ten tons, but she will not carry more than eighty or ninety tons of such merchandisè as we transport from New York to Philadelphia; from Philadelphia to New York, she would carry eight or ten tons more, on account of the different kind of merchandise carried; the other barges will range in about the same proportion. In transporting iron, they would carry more than their registered tonnage. The barge *Planet* is one hundred and thirty tons register, and would carry one hundred and sixty tons of iron safely, or other very heavy articles that would give her whole burthen of weight. The salt carried is coarse, and in the bulk and weight about seventy pounds per bushel; there is scarcely a vessel that leaves our office that is fully loaded; about one half of the vessels arriving from Philadelphia are fully loaded. We did not establish any arbitrary rule as to which date we would take, whether the preceding or the following day to the arbitrary day; if

no trip happened on that day, it would be altogether accidental which of the two would be taken.

I should think the boats would not average as many tons in weight in 1848 as they did in 1840; they are not kept as long to load, and as they are not kept as long, they are not stowed with as much care. The collector at Princeton never disputed, as I heard, of the tonnage we sent him. The agent for the Merchants line, in New York, is William H. Thomson, and in Philadelphia William M. Baird & Co.; the proprietors of both lines are the same individuals. We have nothing to do with the Merchants line. Samuel Thompson is now one of the firm of Wm. M. Baird & Co.; Abiel Abbot was formerly a clerk of Merchants line, in New York, but is not now connected with either line. A. Heckman was formerly in the office of Wm. M. Baird & Co., in Philadelphia, as I understand. William H. Loper is one of the firm of Wm. M. Baird & Co. I have understood that the New Brunswick Steamboat and Canal Transportation Company are the proprietors of the Merchants and Swiftsure lines.

J. GILBERT SWEET.

Sworn and subscribed, the 27th day of September, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

Abiel Abbot, being duly sworn, deposes and saith—I am not connected with the Merchants and Swiftsure lines; it is about two years since my connection with the Merchants line ceased; prior to that time I was book keeper and general manager of the freight business. I was connected for nine years previous to that time; I was in the office of Thomson & Neilson, New York, William H. Thomson and John G. Neilson; they were the agents of the line in New York; for the last two years I have had no connection with either the Merchants or Swiftsure lines. My duty, as principal clerk, was daily to make up the way bills, the amount of freight, &c., of merchandise, to estimate the weight and the price charged to shippers for the transportation of merchandise. This brought me in personal contact with the goods, for the purpose of ascertaining the weight of goods, &c.; this was my department for the whole nine years. I assisted in estimating the weight of cargoes at Princeton a few weeks since, at the request of W. H. Thomson, of New York, at the instance of John R. Thomson, as he informed me, Mr. Sweet, of the Swiftsure line, New York, Samuel Thompson,

of Philadelphia, from the Merchants and Swiftsure line office, and Wm. H. Loper, of the same office. We examined from 1839, 40, to 48; my instructions were to make an estimate of the tonnage of particular manifests or way bills, selected as near as possible to the truth, having reference to my knowledge of the shippers and the kind of goods shipped. There being particular kinds of goods we always knew the weight of, such as barrels of flour, sugar, &c., if the weight of the article was not known, or did not appear on the manifest, the weight was ascertained by reference to the shipper or consignee, that is, in reference to the kind of goods dealt in by the shipper or consignee; when the weight of the article appeared in the manifest it was put down at the same. When goods were charged by the foot, our rule was to allow on dry goods; where 5 cents per foot was charged, we allowed twenty to twenty — cents per 100 lbs.; when 6 cents per foot was charged, from 25 to 28 cents per 100 lbs., and 8 cents per foot, 32 cents per 100 lbs.; we have ascertained this by actual weight and measurement in former years. While I was connected with the Merchants line, the most of my estimates were eastward, both the Merchants and Swiftsure lines. My own part of the work was five each month; I took the first of the month, or nearest to it, the 8th, or nearest, if not the 8th, usually the 7th, the 12th, the 21st, or 22d, and 27th, or the one nearest the end of the month. Mr. Heckman, of Philadelphia, also assisted in making the estimates at Princeton; our instructions were to make our estimates as correct as possible from actual weights and measures; that when there was no weights or measures put down, and where there was any uncertainty in the weight of goods, knowing neither shipper or consignee, we made our estimate from our lowest rate of freight, which is twelve and a half cents per 100 lbs., for instance, a box or cask was put down at a dollar, we called it 800 lbs. All my estimates were made in pursuance of instructions, and conformably to them. I adhered to the rule, as far as possible, in selecting the manifest to be estimated, and do not recollect deviating from it in a single instance; all my estimates are marked with initials A. A. I commenced about the 14th of August, the work had been partly done before I commenced, I continued till the 6th of September; the estimates were made correctly and honestly, to the best of my judgment, having no interest directly or indirectly. I left the office of W. H. Thomson on or about the 15th of April, 1847. In 1848 I was engaged, as freight agent in New York, for D. Leech & Co., of Philadelphia, sending out freight to

Pittsburgh, in part through the Delaware and Raritan canal, and part by the Camden and Amboy Railroad Company; as far as my estimates go, I think they are fully up to the amount of tonnage; I think they are all high.

Friday, September 28th.—I do not know who prepared the statement or memorandum of rates which was used to estimate by; in all cases of doubt we were regulated by it; sometimes we estimated by our own opinions, independent of the statement; the statements were merely to assist in estimating; the statement was full and comprehensive, embracing the variety of goods transported by both lines; the weights in the list corresponded with my opinion and recollection of the weight of different articles. The manifests of cargoes were first entered in a book from memoranda furnished me by the receiving clerk; these memoranda contained the weight of all articles that we were in the habit of taking by weight; this, however, needs some qualification, as, for instance, we would be receiving large lots of iron, cheese, &c., the lots would be incomplete for one boat, it took frequently two or three boats; in such cases we would make an estimate, as near as possible, of what had been sent by each barge, entering the same on the several manifests. On the completion of the lot, the actual weight, whether over or under, was put upon the last manifest; a copy of this manifest was forwarded to the agent in Philadelphia, for the purpose of collecting the freight of the consignees and for the purpose of delivery of the cargo; the manifest was usually forwarded the next morning after the boat sailed. We usually sent what we called a toll list by the captain, to be delivered to the collector at Princeton, I mean always; this toll list contained every article, or the amount of the freight on board of the boat; this toll list was made from the same memoranda from which the manifest was made; it did not specify every article, but merely an enumeration of the different kinds of articles; those taken by measurement were put down by the number of feet. The amount of tonnage was not put down, but the toll list contained a general statement of the cargo, as before mentioned, for the purpose of enabling the collector at Princeton to ascertain the tonnage. When I first entered the office, my orders were to furnish each captain with a toll list, as before mentioned, and that that toll list should contain every article on board of the boat; I understood this was also the rule in all the offices; to the best of my knowledge the manifest contained a list of all the articles carried by the boat each trip; sometimes some

articles included in the manifest would be left, and sent by the next boat, and a memoranda of the fact was made on the manifest in which they were entered. Our regular rule in the Merchants line was to send a boat every other day, or three boats a week; that rule continued the whole time I was there; in dull times we only sent two boats a week, it depended upon business; frequently required to send boats empty, at particular seasons. I think the rule of the Swiftsure line was the same as ours respecting the sending of boats; I think the tariff of rates of freight in the Merchants line was lower in 1848 than in 1840 to '43; I think the reduction of rates was from 15 to 20 per cent. on many articles, but not as a general thing. My orders with regard to the toll lists came from the heads of the concern, Wm. H. Thomson and John G. Neilson, the agents in New York, also afterwards from Edwin A. Stevens; these instructions, in all points, were carried out to the best of my ability. I entered the office of the Merchants line in February, 1838, and continued in it till April, 1847.

The collector's book for 1838 being shown to witness, and his attention called to the toll lists, as they appeared in that book, he says, that the weight of many of the articles there entered must have been added by the collector, as only the measurement thereof was contained on the toll list sent from the office in New York; this idea applies generally to dry goods, and boxes and bales of general merchandise, and also to many other articles of the kind of which is mentioned. The collector's book westward, for the year 1838, appears to contain the substance of the toll lists, as they were furnished for his use during the whole time I was in the office. The average cargoes of the goods shipped by the Merchants line would not equal the registered tonnage; I should think it would fall short all of 20 to 25 per cent. from New York to Philadelphia. The other I am not able to say much about; I had very little to do with the cargoes coming the other way; I should not think over one-third of the barges went full; and when I say full, I don't refer to the tonnage of the vessel, but to her capacity to stow away particular kinds of goods sent. I can't say what number of boats went empty, I have no idea; they were frequently sent with a very few tons on board; in all such cases we sent a toll list, if she went by herself, and not in company with another boat; it often happened we had a greater quantity of light freight than we wished to put upon one barge (perhaps the weather would be rough); having received an order for a light boat from Philadelphia, we frequently

put a few tons on board that boat, to relieve the other; in all such cases the full amount of freight was charged in one toll list; we had none of those toll lists before us in making the estimates at Princeton.

In making my estimates at Princeton, I adopted the same rule throughout, as to measurement; I was acquainted with the freights to the time I left in 1847, and based my estimates on my knowledge of those freights up to that time; in 1847 I do not know what the toll lists were; I adopted the rule that I understood to be laid down in the office at Princeton, as to the dates of the manifests to be selected; what the particular days were I do not now precisely recollect. In speaking of the memorandum of weights which I used at Princeton, to assist me in making the estimate, I refer to the one which is now shown me, and also to another which came from the Philadelphia end, which corresponded pretty nearly with this (the list is the same which was referred to by Mr. Sweet yesterday). Sometimes we sent a boat oftener than every other day, an extra boat. The toll lists sent to the collector for his use were of the same character, as to the specificalness, all the time I was in the office.

In selecting the manifests to be examined at Princeton, I made no preference for any kind of cargo, where there were two dated on the same day or adjoining days.

ABIEL ABBOT.

Sworn and subscribed, the 28th day of September, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, September 28, 1848.

Samuel Thompson, being duly sworn, deposeth and saith—I was one of the persons who estimated cargoes at Princeton from the manifests. I am situated in Philadelphia with the Merchants and Swiftsure lines, with Wm. M. Baird & Co., am one of that firm; they are the agents of those lines in Philadelphia; have been a member of the firm since the latter part of March or 1st of April, 1847. I have been connected with the Merchants and Swiftsure lines since April, 1839, as book keeper, and representing the company, the New Brunswick Steamboat and Canal Transportation Company. I kept the freight books of the whole concern; this was before I was a partner, and have done the same thing since, and still continue to be an agent of the company. Since I became

a member of the firm, before becoming connected with the Merchants and Swiftsure lines, I was transportation agent on the railroad, at Bordentown in the summer, and at Camden in the winter. In my situation in the Merchants and Swiftsure lines, I was in a situation to become familiar with the different kinds of freight. In making estimates at Princeton, I was assisted by others, Mr. Sweet, Mr. Abbot, Mr. Heckman, and Mr. Loper; we consulted one another, but relied particularly on Mr. Sweet. I made my estimates with a great degree of confidence, as to their truth. I inclined to a liberal estimate in all cases. In going over the manifests, I found I was acquainted with a large portion of the shippers, not so many in the New York end as at Philadelphia; was acquainted with the kind of articles they were in the habit of shipping, and the rates of freight at which the lines carried. When I did not know the weight of articles, I relied on other circumstances to get at their weight, such as the amount of freight, the person shipping, the kind of goods, &c. I do not know how many manifests I examined, I think the proportion was small; I was away part of the time; the estimates made by me have my initials, S. T., marked upon them. We took the 1st, 7th, 13th, 19th, and 25th of each month, and if the date of the manifest did not agree with those dates, I took those that followed immediately after. I avoided no manifest on account of the character of the cargo. Since I have been in the Philadelphia office, the agents of the Merchants and Swiftsure lines have been C. King & Co., R. F. Loper, Loper & Baird, and Wm. M. Baird & Co.; when I first went there, in 1839, C. King & Co. were agents and part owners of the Merchants line; the Swiftsure was not at that time in existence. While C. King & Co. were thus interested in the Merchants line, in the year 1840 or 1841, the Swiftsure line was established, and Henry Wilson was the agent under the direction of C. King & Co., who were part owners of it. The firm of C. King & Co. consisted of Charles King and George J. Pepper, and the New Brunswick Steamboat and Canal Transportation Company were the copartners with C. King & Co. in proprietorship of said line. The Swiftsure line went from the agency of Henry Wilson to the agency of Armer Patton, in the year 1840, I think; Patton was agent one year, I believe; R. F. Loper succeeded him in the year 1841; Loper was agent the same as Wilson & Patton, for one year. In 1842, the agency of the two lines became joined, and R. F. Loper was appointed agent. Charles King died about that time, and the firm of

C. King & Co. became broken up. Loper was made agent soon after the firm of C. King & Co. ceased; the firm of C. King & Co. retained their interest in the proprietorship of the lines until the firm broke up; I think this was in 1842, may be 1843; afterwards the New Brunswick company bought out their interest, and became sole proprietors of both lines, and have so continued ever since. The interest of King & Co. was an individual interest, and not as stockholders of the New Brunswick Steamboat and Canal Transportation Company. When I first commenced, the New Brunswick company were half owners of the lines, C. King & Co. quarter owners, and James Schott, jun., in New York, was owner of the other quarter. Before King & Co. failed, which was a few weeks before King's death, the company bought out the interest of the New York end, belonging to Schott & Co., as I believe. After this purchase I recollect that the interest of the New Brunswick company, at this time, was thirteen-eighteenths, the proportion depending upon the number of boats furnished by the parties. This arrangement remained until the failure of King & Co., and the purchase of their interest by the New Brunswick steamboat company. Schott & Co. were interested in both lines, if the Swiftsure was running before they were bought out, and I think it was. R. F. Loper was sole agent till the formation of the firm of Loper & Baird, which was, I think, in the year 1843 or 1844, I should judge the latter, when Loper & Baird became the agents of both lines, and so continued until the winter of 1846-7, when they were succeeded by Wm. M. Baird & Co. When I entered into the firm, so far as respects their interest in the Merchants and Swiftsure lines, the partners of Loper & Baird were Richard F. Loper and William M. Baird; the partners of Wm. M. Baird & Co., so far as relates to the Merchants and Swiftsure lines, are William M. Baird, William H. Loper, and Samuel Thompson. At the New York end Thomson & Neilson succeeded Schott & Co., as agents of the Merchants line, and J. & N. Briggs, as agents of the Swiftsure line. William H. Thomson, I believe, was agent of the Swiftsure line a short time, at the beginning of it, before the Briggs; the Briggs have continued agents at that end of the Swiftsure line ever since. Wm. H. Thomson succeeded Thomson & Neilson, as agent of the Merchants line, and remains such at the present time, his partner, John G. Neilson, having died about the year 1844 or 1845. When I first went to Philadelphia, I went with

C. King & Co., then with R. F. Loper, then Loper & Baird, and then, finally, became a partner in the firm, as before mentioned.

The estimates made at Princeton are a fair ascertainment of the tonnage of the cargoes, according to the best of my knowledge and belief. The manifests of cargoes are made first in a book, and from thence transferred to the loose manifests, to be forwarded as the boats are loading; they are kept along together. The manifests show the whole amount of cargo carried by each boat; this is the mode of doing business at the Philadelphia office for both lines. Mr. Charles Binney makes up the manifest, and copies it before sent; the manifest is sent sometimes by mail and sometimes by the conductors on the road; it is forwarded the next morning generally, sometimes the same day. Twenty-four boats belong to both lines, I believe, four of which are steamers, and are used by the Merchants line, the others are mostly used by the Swiftsure line. The number of boats in 1842 was eighteen, when I first commenced there was sixteen. We send a toll list to Princeton, to the collector, by the boat uniformly; that has been the instructions at our office by the agents, also from the officers of the canal company; they have been the standing instructions ever since I have been there. The toll list sent to the collector at Princeton contained the leading articles of the cargo, not so full as the manifests; so far as they were put down they were the same as the manifests, *viz.*, the leading and large articles; there was a portion of the time the articles were not put down, but simply an entry of the amount of merchandise in gross, with the estimated weight of tonnage. I cannot recollect when this was, it was some time ago, I should judge it was before I was a partner. When I first went there, to the present time, it was a general rule to send these toll lists; one season, about four or five years ago, we sent the lists without the weight, and left it for the collector to estimate; it might have been two or three seasons. These toll lists did not contain the amount of freight charged on the manifest of each cargo, it was only intended to show the weight; the weight of the whole cargo was in tons previous to these years, but the enumeration of the articles on the toll list was not sufficiently specific for the collector to estimate the cargo by.

The manifest clerk made out the toll list; for the last three years we have been more careful in making up the toll lists than formerly, in endeavouring to ascertain the correct weight and entering it upon the toll lists. We keep no copies or records of our toll

lists ; there has been, during the time I have been engaged in the lines, that coal, and in one instance iron, were carried that has not been regularly entered on the manifest books ; but with those exceptions, the manifest books here exhibited contain and show the whole of the transportation business of the Merchants and Swiftsure lines ; the reason the coal was not regularly manifested at the time, was that we would send a boat up the river to Richmond or Bristol, and we would not have the means of getting the weight of the coal at the time ; the coal shipper's manifest would be taken to New York by the boat, the captain having instructions to take bill of lading to the agents of the line in New York, of which they would collect the freight, and return it in the accounts at the end of the month, or when collected. I cannot tell how the collector at Princeton ascertained the weight of the coal carried. I was in the habit of making up the monthly amount of tolls due to the canal company ; we did not furnish the collector with the number of tons of coal thus carried, we did furnish him with the account of freight received for the coal ; the transportation of coal referred to was carried within the last four or five years, amounting, for the season, from four or five hundred tons to twenty-five hundred tons in the year. The iron I spoke of was a large lot of railroad iron, transported to Bridgeport and Hudson, for the Housatonic railroad, in the year 1846 ; the reason that was not regularly manifested, was that the agent or shipper of the article, in Philadelphia, could not give us the exact weight ; but paid us at different times, when we put the money in the account, at some three or four different payments. I think there was a toll list sent by the vessel that carried the iron ; the shipper at the end of the contract furnished the full number of tons of iron ; the collector at Princeton was not informed of the number of tons from our office, (the quantity of iron). There has been variations in the rates of freight from year to year since I have been in the office ; as a general thing, the rates of freight were higher in 1840 than since, except the year 1847, the rates were then as high as in 1840.

On being shown the books containing the estimations made up at Princeton, witness says, he assisted in making them up ; they contain all the estimations made up from the manifests at the rate of twenty a month ; they contain a list of all the trips made by the Merchants and Swiftsure lines from 1840 to 1848, both inclusive, eastward and westward, except the coal and iron trips before mentioned. The coal and iron is added in the aggregate sums at the

end of one of the books, as to tonnage; this answer is made from personal knowledge of the business transactions at both ends of the line. The accounts for settlement of monthly business of the lines are made up in Philadelphia, by myself, the Swiftsure line by J. & N. Briggs, and the Merchants line by Wm. H. Thomson, for the New York end. The accounts made up for settlement with the canal company, are made in the following manner, for instance, we date the manifest the day we begin to load; in the account we enter that date, the name of the barge, and the amount of her freight bill; we then add up the amount of all the freight bills for the month, and meet the executive committee of the canal company the second Monday in every month, generally, for the settlement of the business of the previous month, at Bordentown. We there lay the whole account before the executive committee of the canal company, who examine the same, and one-fourth of the amount of freight is paid to the canal company. In case of losses by freight not collectable, no deduction is made by the canal company on that account; the same per centage of freight has been paid on coal, except one season, when a lower per centage was paid. The object of starting the Swiftsure line was to carry coarser kinds of freight at lower rates, in order to compete with other lines; it was thought that the Merchants line could not well engage in the transportation of a kind of freight at a different rate of charge by the ton, than was made by them for the finer kind of goods; it was also thought advisable to have two offices in New York, on different sides, one on the North, and the other on the East river, in consequence of the extent of the city and the great press of business.

I know of no reason why the transportation business was not carried on by the corporate name of the New Brunswick Steamboat and Canal Transportation Company, excepting that, in the first instance, the Merchants line was the joint property of that corporation and of individuals, as partners. The average rate of freights by the Merchants line are something higher than those carried by the Swiftsure line; take the merchandise as carried by the two lines, I think the Merchants line receives from a dollar to a dollar and a half per ton more, taking into consideration the different kinds of goods carried by both lines; the earnings of the two lines are taken into one interest.

There is no difference in the interest, in any way, to the proprietors of these lines; there was a difference to the interests of the agents in New York till the spring of 1847; there is no difference

now. The Swiftsure line, in New York, receive and forward the coarse winter freight on the railroad to W. S. Freeman, Philadelphia, the transportation agent of the railroad company, by way of South Amboy, in barges; the goods are delivered to the consignees under the direction of W. S. Freeman. The goods received in Philadelphia for New York are received by Mr. Freeman, and forwarded to Mr. Decker, the transportation agent in New York. Wm. M. Baird & Co. have had nothing to do with the winter transportation; previous to 1847 the goods for that line were received and forwarded by R. F. Loper, the agent of the Swiftsure line, Philadelphia, part of the time to Mr. Briggs, the agent of that line in New York, and afterwards the method was changed, and they were forwarded to A. Decker, New York. The purpose and object of starting the winter line *via* railroad, was to keep up a continuation of the canal trade through the winter; there was no difference made to persons, in the summer transportation all fare alike.

Adjourned to to-morrow.

BORDENTOWN, Saturday morning, September 29, 1849.

Examination of *Samuel Thompson* resumed.—The Camden and Amboy Railroad and Delaware and Raritan Canal Companies have no checks upon the Merchants and Swiftsure lines, except the books of those companies exhibited when settlements are made. The manifests and books are shown at the settlements. When I first went into this department, I received instructions from the canal company to look after their interests, and always have considered myself as acting under those instructions. I have had no interest as stockholder in the New Brunswick company, all the interest I have ever had is since I have been one of the firm of Wm. M. Baird & Co., as agents; I received no compensation directly for services in looking after the interests of the canal company; previous to 1847 I received a salary from the New Brunswick steamboat company; and before I became a partner of the house of Wm. M. Baird & Co. I always felt it my duty to look as fully into the interests of the canal company as that of the other companies.

The books of the Merchants and Swiftsure lines westward, as made up by the persons appointed to make estimations at Princeton, being shown to witness, the following explanation of them was made by him: the left hand side contains the account of the Merchants line, the right hand side is the Swiftsure line, both west-

ward; the first column is the date of the day and year of the manifest, the name of barge is in the second column, amount of freight third column, tons of merchandise returned by collector fourth column, tons of merchandise, per examination by myself and others made at Princeton, fifth column, the freight of the barges there examined sixth column; the other side is in the same manner; the other book is of the same character for the lines passing eastward. Upon referring to the books now before me, I find that the collector at Princeton has not entered in his book one trip eastward, and three trips westward, for the year 1840; in 1841, six trips eastward, and eight trips westward; in 1842, six trips eastward, and five trips westward; in 1843, seven trips eastward, and seven trips westward; in 1844, eighty-one trips eastward, and sixty trips westward; in 1845, one hundred and seventy-five trips eastward, and one hundred and twenty-five trips westward; in 1846, two hundred and thirty-eight trips eastward, and one hundred and ninety-three trips westward; in 1847, seventy-four trips eastward, and seventy-eight trips westward; in 1848, eighteen trips eastward, and nine trips westward; making 606 trips eastward, and 488 trips westward, and altogether one thousand and ninety-four trips not entered in the collector's books at Princeton. I designate or ascertain the missing trips by these books by the tonnage not being entered in the column of tonnage returned by the collector. It appears, from memorandum in the book, that there was a supplemental return, made by the collector at Princeton, of 11,070 tons of superior merchandise, for the months of September, October, November, and December, 1846, as the amount of missing trips for those months westward. There appears to be forty-two barges returned in 1847, as going westward; that is, 28 in November, making 2605 tons, and 14 in December, making 1300 tons, returned in gross, without naming the barges or the number of tons of each trip; in my enumeration of missing trips these are included. In 1847, December, the collector returned thirty barges eastward, in gross 2791 tons, being more than passed eastward that month. If 42 barges are required to carry 3905 tons, as it appears by the gross return made by the collector, in 1847, at the same rates to carry 11,070 tons, it would require 119 barges. Assuming the calculation to be correct, I make the whole number of missing trips to amount to 903 for nine years. I believe this mode of calculating the number of missing barges to be correct. The average tonnage per barge, returned by the collector for the year 1840, was, for the eastward business,

as shown by these books, 123.76 tons, westward 115.35 tons, average for both ways 119.64 tons; the same for 1841, eastward 112.51 tons, westward 99.03 tons, average 106.3 tons; the same for 1842, eastward 102 tons, westward 110.19 tons, average 106.8 tons; for 1843, eastward 113.24 tons, westward 111.9 tons, average 116.45 tons; for 1844, eastward 111.77 tons, westward 126.5 tons, average 122.46 tons; for 1845, eastward 123.13 tons, westward 122.96 tons, average 122.74 tons; for 1846, eastward 111 tons, westward 100.14 tons, average 104.01 tons; for 1847, eastward 105 tons, westward 92.93 tons, average 99.15 tons; for 1848, eastward 115.82 tons, westward 85.68 tons, average 101.48 tons. The whole average of tons of merchandise, eastward and westward, as returned by the collector at Princeton for the whole nine years, is 107.62 tons per barge, and the number of barges 3342. The directions have always been to us, and by us to the clerk, to send, and to the captains to call and receive the toll list.

I believe the manifest clerk was always particular to send the toll list to the collector; our present practice in making up the toll list is to fill up the list, enumerating the leading articles of the cargo, perhaps eight or ten, and describe the balance of the cargo by the general phraseology of so many packages of merchandise, or some such expression, and close the whole by a sum expressing the whole number of tons, according to our estimate of the whole cargo. I think we do not use as much particularity in making out our toll list as we did at Princeton. The rules that we follow in making up the toll list are the same as those we adopted at Princeton, whenever we have to estimate any particular article. When we do not estimate a cargo by particular articles, we get at the estimate of the cargo by information from the captain, from his knowledge of the depth of the sinking of his boat. I should think the lesser number of the cargoes were estimated by our knowledge of the actual weights of the articles. We weighed three or four cargoes as we put them in the vessel, and found that there were from 88 to 91 tons, as an average of four vessels; those cargoes filled the vessels; I should judge that two of them were steamers. I have known barges to be full at 60 tons; I have known the largest barges to be full at what I would suppose to be not more than 75 tons.

A very large portion of the increased amount of freight of 1847, over that of other years, consisted of produce, a large quantity of grain and flour was carried. The increase of freight for produce that year was greater than for merchandise. I think the gene-

ral increase of freights that year was higher than usual, but about the same increase on produce as merchandise; I mean an increased rate of per cent., being of course more on a ton of merchandise than on produce; our rates per ton on merchandise are much higher than on produce, I should think as much more as two is to three difference on a ton; I should think there would be more difference than that. I could not say, as there are so many different kinds of articles classed under the head of produce, to state the proportion exactly; the rates at present for carrying flour is eighteen cents per barrel, being \$1.80 per ton; that, however, is a low rate for flour; the present rate for grain is four and five cents per bushel, amounting to about \$2 per ton; our present rates for dry goods are from 25 to 32 cents, say average 28 cents, per 100 lbs., or \$6.27 per ton. Adjourned to Monday morning.

BORDENTOWN, Monday, October 1, 1849.

Samuel Thompson resumed.—It has not been our practice to render at the end of the month the gross amount of tonnage to the collector, to ascertain the gross number of barges for any particular month. The collector must have referred to the toll lists sent him, as I suppose the only means the collector has of ascertaining the number was from the toll lists sent from our office. The collector could only know what freight was not sent from our office was from the captains of the barges. We sometimes sent freight that did not start from our office to New York; also know of its passing both ways in the same manner; a very small portion, if any, would come or go through the whole length of the canal; a small portion would go through the whole length of the canal. I have no recollection, and don't think our line ever carried any iron from Bristol to New York, or elsewhere, through the canal. It is frequently our practice to carry superior and inferior merchandise in the same vessel, but they are never designated in the toll list; the collector could designate only so far as we entered them down on the toll list or by information from the captains. In making out our toll lists we had it not in our ideas at all the difference between superior and inferior merchandise. We have carried a good deal of inferior merchandise. We found, upon examining the collector's books at Princeton, that in a few instances he had designated the inferior merchandise; the cargoes are so arranged that he could designate the inferior from the superior merchandise. There was formerly a clerk standing in a confidential relation to the canal

company in New York, the same as I held in Philadelphia. It was John G. Neilson, of the firm of Thomson & Neilson, who stood in that relation till he died, in the year 1844 or '45; since his death there is no such agent in New York, as I know of.

I have heard, years ago, of frauds being perpetrated against the canal company by boats going through the canal; it was before and about the time I entered the office in Philadelphia Merchants and Swiftsure lines. I went there with instructions, and for the purpose of guarding against such frauds; that was to be my situation; that has always been a feature in my relations with the canal company. In examining the collector's books in the course of examination at Princeton, I have found instances where the collector entered the cargo superior, when it contained both superior and inferior. I judge so from the entries on his books, because I could see no inferior entered. The cases I refer to there was a sufficient amount of superior cargo to cover both superior and inferior, and more too. I observed and noticed that this frequently occurred. In making the estimates at Princeton, we made no distinction between superior and inferior cargo; the estimates show the whole burthen of the boats, including both superior and inferior, and the freights entered in the books show the whole amount of superior and inferior cargo; the column in the books showing the result of the investigation, which contains the collector's entries of tonnage, embrace his entries of both superior and inferior cargo of the boats specified, only a very small amount of it was entered by him as inferior. The amount of inferior merchandise entered by him does not correspond with the amount the boats carried, by any means; it is but a small amount of the inferior really carried. I should think that, exclusive of coal, the barges have carried from 17 to 20,000 tons of inferior merchandise in the last nine years; in reference to taking up freight by a boat or barge, after she leaves New York or Philadelphia, and before entering the canal, I would say that our boats do not stop on the rivers at all; sometimes freight is taken from Burlington to Philadelphia, and shipped there. We have sent boats empty to Bristol for coal, and to Robbins' wharf, above Bristol, for corn. We would have a manifest in Philadelphia of the corn being shipped by persons in Philadelphia, but not of the coal. The amount of coal shipped, either from Bristol or Philadelphia, or elsewhere, is entered in the books containing the results of the estimations at Princeton. I mentioned, the other day, that we had weighed, for experiment, some boats containing fair ordinary ear-

goes. In going over the collector's books at Princeton we found quite a number, say 25 to 30 barges, of the Merchants and Swiftsure lines, more than the number of trips which those particular barges had made, and which do not appear in the column of collector's returns on the statement books to which I have referred; our inference was that the collector had entered a barge by a wrong name by mistake. These surplus barges should be deducted from the number of missing barges, as appears by the books. The toll list, almost invariably, was sent by the captains of the boats, but we did occasionally send them by the conductors of the trains passing Princeton; these were instances when the captain had neglected to call for them, or when he had sailed so early that there was no one in the office. In looking over and examining the collector's books, I found a much larger amount of tonnage returned than the boat was capable of carrying, in many instances, for instance, the barge *Dolphin*, in August, 1840, was laden on the 13th August; the collector had her entered 177 tons, and she had but 116 by our estimate. We frequently found instances even more marked than that, when there was no doubt whatever of the weight of the cargo, it consisting of simple articles. In such cases as these the collector could have received something like the true amount by applying to the captain of the barge. We sometimes include in our manifests goods that were in part transported on another barge; in such case such part of the goods would not appear upon the manifest of the barge carrying them. I do not think that this fact could account for the collector putting down so much larger amounts for particular barges than they actually carried. In the first place, the toll lists were not so arranged, but each corresponded with the actual cargo on board; besides, the cases to which I have referred were not cases where the lot was divided. The articles of inferior merchandise carried were lime, bricks, clay, &c.

SAMUEL THOMPSON.

Sworn and subscribed, the 1st day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, October 2, 1849.

Archimedes Heckman, being duly sworn, deposeth and saith—
I reside in the city of Philadelphia. I am in no way connected with the Merchants or Swiftsure lines. I am clerk with Capt. R.

F. Loper; he is not now connected with either of those lines. I was formerly in the employment of Loper & Baird, while they were the agents of the two lines in Philadelphia; I began in April, 1843, and left in the latter part of 1846; they were all that time the agents of the two lines; part of the time, in 1843, I was engaged in making out bills and other writings; part of 1844 I was doing the same; part of 1844, the latter part, I was collecting freight bills. In 1845 and '46 I had charge of the Hartford line. I have occasionally made out manifests for the Merchants and Swiftsure lines, not often. The receiving clerks would furnish slips to persons bringing goods, and they would hand the slips to the persons employed in making the manifests, for the purpose of making them up. The manifest would be entered in a book, and a copy forwarded to the agent in New York; I believe they were always sent by mail. The custom house clearance and toll list were sent by the captain of the boat or barge; according to my recollection, it was the practice for every boat to get a clearance from the custom house; it was also the custom for every boat to enter at the custom house on arrival. I have prepared toll lists to send by the boats; those lists contained the names and amounts of the principal articles on board, stating where from and where to, and the number of tons, in the proper place, in the centre of the list. The weight or tonnage of the different articles was not named on the toll lists; the amount of tonnage was given by the captain to the person making the toll list; the captain reported verbally, so many tons, to the person making the toll list, and judged the amount of tonnage by the sinking of the vessel in the water; the captain was depended upon to do this, it was his duty; I don't know that he ever neglected this duty, of my own knowledge, and I never knew a boat to sail without a toll list. I was engaged part of this time in making estimates at Princeton, can't say how long; I was very irregular in my attendance there; I was there parts of four different weeks; my estimates are marked with my initials. I made estimates of several different years, which are now here; I had some difficulty in making estimates at times when it was not specified what particular kind of articles they were; my guide was the knowledge of the persons' names and business who shipped goods, having reference to the amount of freight. In most cases, however, I did not have much difficulty in estimating the weight; I consulted with the other estimators occasionally. I examined in both lines, and I believe invariably to New York, not from New York. I oc-

casionaly discharged barges while employed with Loper & Baird in the business of the Merchants and Swiftsure lines.

We used tables at Princeton to aid us in making the estimates; the table used by me principally was prepared in Philadelphia by Mr. Baird's order, I can't say by whom. The estimates made by me show the full weight of cargo examined by me; I tried to have them as correct as possible. I had some knowledge of my own, as to the weight of articles; a large proportion of the goods, of my own knowledge, I was acquainted with weight of; the table I used appeared to be correct, so far as my knowledge extended; the principle I took in examining the manifests, was to take the 1st, 7th, 13th, 19th, and 25th days of the month; I followed this plan as near as the duty would admit; I in no instance deviated from this rule in order to take a particular manifest. It was the business of the manifest clerk to make out the toll list; I did it occasionally, when the manifest clerk was sick, or something else. When with Loper & Baird, I had almost the entire charge of the Hartford line, in 1845 or '6; there was no receiving or delivering clerk, except myself, in relation thereto. I can't say whether I made the toll lists for the Hartford line or not. The Hartford line went through the canal; the manifests of this line were sent by mail; the receiving clerk prepared the manifest and bill of lading for each lot of goods. I cannot say whether the boats of the Hartford line invariably carried toll lists or not; when they did carry them they were of the same character as those carried by the other lines. The amount of tonnage carried by the Hartford line was ascertained from the captains, according to the best of my knowledge. The tonnage was marked on the toll lists. The manifests of the Hartford line were prepared in the same way as the other lines. If any of the boats of this line were sent without toll lists, I can't say how the collector at Princeton ascertained the amount of tonnage. The Hartford line of boats consisted, in 1845, part of the time, of one steamboat, called the Col. Stevens, and one schooner, Lois; also the schooner Temperance, a transient vessel, chartered for part of the time; and there might have been two or three other transient vessels at times. In the following year, 1846, the steamer Conestoga ran; the schooner Shoal Water ran from Hartford to Philadelphia, carrying some merchandise for this line, but don't recollect her carrying merchandise back; they did not invariably enter and clear at the custom house at Philadelphia; they did not, unless they had foreign merchandise on board. I have had no connection

with the Hartford line since 1846. I did not make out the accounts of the Hartford line for settlements with the canal company. The boats of this line generally ran full. The Col. Stevens would carry over one hundred tons of such articles as she generally carried. Our freights from Philadelphia were invariably coarse freight; the return cargo was always domestic goods, cloths and assorted merchandise, general light goods, wool and cotton goods, light hardware, such as coffee mills, clocks, and notions generally; tobacco was often carried; the boats generally returned loaded. The agents of the Hartford line, in Philadelphia, now are Wm. M. Baird & Co., the agents in Hartford are M. W. Chapin & Co., of Hartford. The names of the boats of this line now running, are the Josephine, Dupont, and Rough and Ready, all steamers. The proprietors of the Hartford line, at the time I was employed, were Loper & Baird, of Philadelphia, and M. W. Chapin & Co., of Hartford. I can't say who are the proprietors of the line at present. W. R. Derrickson, the captain of the Stevens, had an interest in her in 1846. I did not examine the collector's books while at Princeton; we only used the manifest books in making the estimates; the manifest books of the Hartford line I did not see there; examined no toll lists of the Hartford line while there. The rates of freight of the Merchants and Swiftsure lines were higher in 1847 than in any other year, according to my recollection. The rates of freight were lower in 1844 than in previous or after years; in 1848 they were lower than in 1847, but not unusually low, they were perhaps an average. I can't say there was a gradual decrease from the first year I examined to the last, omitting the year 1847; my impression is, that in 1847 there was an advance in the rates of freight of all kinds of goods; I think there was a great increase of freight in 1847 over 1846; my impression is, that rates of freight in 1845 '46 were about the same as they were before 1844. I spoke of having the whole agency of the Hartford line; when I was there I kept the manifest books only, not the accounts; William M. Baird kept the accounts at that time. I believe the whole accounts were kept in the Philadelphia office for both ways, so far as regards the tonnage. The Hartford line carried coal sometimes with transient vessels; when they carried merchandise with the coal, I sent manifests containing coal and all.

A. HECKMAN.

Sworn and subscribed, the 2d day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Wednesday, October 3, 1849.

Peter V. Degraw, being duly sworn, deposeth and saith—I am a collector of tolls on the Delaware and Raritan canal; was appointed principal collector on the 1st September, 1838. Isaac Milnor preceded me; my office is now at Princeton basin, and has been there; my duties, as collector, have been to receive the tolls, to see that the proper entries were made in the books, and to account to the treasurer of the canal company, and pay over the tolls received. The treasurer is Mr. James Neilson, and has been for the whole time. My duty was not to receive tolls daily on certain vessels, some paid monthly; the vessels of the Lehigh Coal and Navigation Company, the coal barges of the New Brunswick Canal and Transportation Company, the freight barges of C. & F. King & Co., Philadelphia, the freight barges of Miller & Bancker, New York, A. & W. R. Packer's boats, were of this kind. These were in the early part of my collectorship; at a later date, the vessels of Loper & Baird, Philadelphia, the barges of McHenry, from New York, the barges of Thomson & Neilson, New York, J. & N. Briggs, of the same place, Wm. M. Baird & Co., Philadelphia, the schooners and steamers of the Hartford line, between Philadelphia and Hartford; also a line of late date, called the Albany line, the line of Geo. W. Aspinwall & Co., to and from Albany to Philadelphia, which latter line is now merged in the Commercial line, trading between Philadelphia and Albany, and the said Commercial line, pays in the same way. The Easton line, to and from Easton and New Brunswick, the Hazleton Coal Company, the Beaver Meadow Coal Company, the boats of Maurice Buckman, the Baltimore line of steamers and barges—these are all I think of at present that have paid tolls monthly.

J. W. Pennington acted as collector for the canal company at Fairmount, and collected certain through tolls, which we considered as daily tolls, and for which he accounted to me monthly. This was for tolls on coal, alone, that came down the Schuylkill. The major part of the boats of those lines that paid monthly were entered daily as they passed—at an early date all of them were. The entry contained the date of passage, name of vessel, the amount of the tonnage actually on board, and the amount of toll in money. The evidence from which I ascertained the amount of tonnage, was from the manifest accompanying the boat; when I did not get it from the manifest, I derived it sometimes from inspection, and

sometimes from the statement of the captain of the vessel; sometimes, on inspection, I found the tonnage to exceed the manifest; vessels frequently passed through the canal without manifests.—What we call a toll list, is a manifest of the cargo without the freight being carried out in money; I considered that the toll list; it is the paper from, or according to which the vessel pays the toll.

The Albany line, for a while, carried manifests on which the freight was carried out; almost all the bills of lading of coal boats embrace the freight. The manifests or toll lists of those vessels which paid monthly did not, in all instances, specify the tons; in such cases I had to form an estimate of the tonnage entered on my book from inspection of the vessel, her size, custom house measurement, &c.; I always took care to get it enough. I received instructions, as to ascertaining the tonnage, from Com. Stockton and Mr. John R. Thomson. My general instructions with regard to ascertaining the tonnage were, if I had any doubts as to the correctness of the manifest, to inspect and overhaul the vessel, and unload her, if necessary. I was instructed to use great care in ascertaining the tonnage. There were no instructions to depart from this rule in regard to those vessels which paid monthly; the same regard was paid to the ascertainment of the tonnage and entries as with other boats, no distinction was made. There were instances of the vessels of these lines passing my office without a manifest; I can't say they were frequent. The boats of these lines passed my office frequently without an entry being made of the trip in the collector's books. The cause was, frequently, that the manifests would come sometimes next day, sometimes by the next boat, or at the end of the month. Some of the lines did not furnish me at the end of the month with the amount of tonnage they had sent through the canal during the month; some did send me the amount of tonnage they had sent through the canal during the month. The Commercial line furnishes such an account, and my impression is that Aspinwall's line did the same. The Merchants and Swiftsure lines did not furnish such an account, neither did the Baltimore or Hartford lines, neither did the coal lines.

In some cases when a vessel in those lines, which did not return the tonnage monthly, came without a manifest, she was permitted to pass without an estimation of her cargo. When a vessel has thus passed, and no monthly return of tonnage was made by that line, we had no correct means of ascertaining her tonnage. This happened to a considerable extent, in some parts of the period of

which I have held the collectorship. When this has happened, means have been taken since to ascertain the true tonnage. The books of those lines have been compared with our books. I presume the treasurer of the canal company makes his return to the state treasurer, of the number of tons of merchandise transported from my account. I render an account to the treasurer of the canal company monthly, for that purpose. I have made these monthly returns to the treasurer, in some instances, before ascertaining the correct tonnage, before comparing of my books with the books of the lines. In such cases the account so furnished to the treasurer of the company by me would not be a true account of the merchandise actually transported. The books of the collector of the canal company have not yet been corrected, from any examinations which have been made by any actual entry yet made in the books, or by any return to the treasurer of the canal company. I would make an exception, however, of 11,070 tons, an additional or supplementary return, made in March, 1847, for the last four months of the year 1846, during which last year I was sick and absent from my post, and the duties of my office were performed by my deputy, Mr. Manning, and the clerks in the office. I was absent from the office that year the months of July, August, and principally in September. From the means I had at that time, I believe the supplemental return embraced all the merchandise that had not been previously returned for that season, of 1846; from what I have since learned, a great many trips have been omitted, both in that and other years, which have not been embraced in the additional return made 1847. This supplemental return was made for the barges of the Merchants and Swiftsure lines alone; this was for trips to the eastward and westward.

When it was discovered that omissions had been made for the months of September, October, November, and December, 1846, there was no examination made to see if there had been omissions made in the other months of that year. I have since discovered that other omissions were made in that year; this discovery has been made recently. I was led to the discovery of the omissions of the four latter months of 1846 from the small number of tons of merchandise I found entered in my books for those months. The other months did also appear comparatively small; it was observed by me at the time. The discrepancy was not so great, however, as to lead me to suppose that the entry might not be correct, and therefore I said nothing about it. I do not think the same kind of

omissions have occurred with regard to other transportation lines as with regard to the vessels of the Merchants and Swiftsure lines. The reasons why I think so are, that they were a great deal more particular in sending the manifests regular with their vessels; another reason was, the Merchants and Swiftsure lines despatched vessels a great deal more frequently than other lines, very often coming away in the night, whilst other lines had more time, as they did not make so many trips; another reason is, that we were a great deal more particular with other lines, in writing immediately for a manifest, if they had not sent one. The reason why we were not so particular with the Merchants and Swiftsure lines was, that they had been running a long time, and I knew there had been some omissions, and I considered it an unsettled account, that would have to be adjusted at some time. I had discovered that an omission had been sometimes made previous to my discovering the omissions of 1846; I think I named it to some one of the executive committee some time previously, but not at that time. My instructions were to write to the agents of the transportation companies immediately, that the manifests must be sent by the boats without fail, and if not sent by the first boat, to be invariably sent by the next; and I did write accordingly, but never received any written communication from them; but they were more punctual afterwards for a while. The officers of the company instructed me, after the discovery of the omissions at the end of 1846, to require a manifest with every boat, or, at all events, the boat next following. I think there was more regularity in sending the manifests than there had been before; and there have been, however, omissions since, up to the present season. The present season they have been uniform, and I don't think they have omitted sending a single manifest. I wrote to those gentlemen, that unless a manifest did come with the vessel, or they advised me that it would be forwarded by the next vessel, I should tie her up in the basin till one did come; and I have stopped two or three this summer.

On being shown the book of the collector for 1838, westward, he says, the entries in this book of the cargoes of the barges of the transportation lines are copies of the manifests or toll lists sent to me, with the exception of the weights of the respective articles of cargo, which were estimated by me, and set down in the book; the last statement is true with regard to all vessels. I find, in examining the collector's books of that date, (with the knowledge I now have) that the weights of cargo were over estimated to a consider-

able extent. The over estimation occurred in this way: my instructions were imperative, in making out the estimates of tonnage, to make a large estimate, and therefore they are usually large. I had tables of weights of particular articles, for instance, dry goods at so many pounds to the cubic foot, and different rules for different articles; a great many articles I had to get at from the best of my own judgment. I could not, from the knowledge I have since acquired, now correct the estimates I then made by the aid of the books alone. My opinion, that the estimates made by me were overrated, is founded on a comparison with my books and the books of the transportation officers; and by that comparison it appeared that the toll lists contained more articles than were on board, as, for instance, I have known a vessel to have on her toll list 200 boxes of tea, when on examination she had not a pound of tea on board; this instance was altogether an error. I have known frequent instances where the manifest of one boat contained articles, part of which she did not have on board, but which would be on board the next boat; no reliance can be placed on the toll lists made out previous to the present season, as a means by which the collector might ascertain the correct tonnage; after all, I had to find out the amount of cargo from the draft of the boat, or from the captain, or from knowledge of the boat's capacity, or something of the kind. I do not consider the method that I was compelled to take a correct method of coming at the weight of cargo, or one that ought to be relied on. I believe the method of ascertaining the tonnage by the estimation of the collector could be depended upon, if the manifest sent to the collector by the transportation office contained a true account of the cargo, with the freight of each article carried annexed. There would be difficulty on account of the variable weights of packages of general merchandise, to ascertain the weight of which the collector must have a knowledge of the freights charged, and the rates of freight charged by the transportation officers. The correctness of any method hitherto adopted for ascertaining the tonnage of merchandise transported through the canals by the transportation lines, depends very much upon the honesty of the transporters; if they do not furnish us with a correct list of cargo, we have no correct means of ascertaining the weight of cargo without unloading the boat; and if they do not furnish us with a correct list of their charges, we have no means of ascertaining the weights from the charges of freight.

Adjourned to to-morrow morning.

BORDENTOWN, October 4, 1849.

Peter V. Degraw resumed.—I have known vessels to come to my office with a false manifest; in some cases I have known such vessels to carry two manifests—a false one, which they exhibited to pay toll by, and a true one. I have never known an instance of the kind by the vessels of those engaged in the regular transportation business, with the explanation of what I said before, that sometimes the boats of the Merchants and Swiftsure lines would have on their manifests goods brought by another boat of the same line following; the toll lists would not apprise me of variations in the rates of freight made by the transportation companies, even if they contained the actual freights charged, consequently my estimates of freight must be uncertain. I have, in some cases, made my estimates of tonnage materially too small, as well as materially too large in others; the estimates in all cases have been made with my best judgment and information at the time of making the same; the error arose, in all cases, from not having proper materials to make the same, whether too high or too low. The omission to enter trips of the boats might have been caused by the neglect of the clerks at the collector's office to enter the same when a manifest had been furnished, and also by the neglect of the captains to get out and leave their manifests, when they were supplied with them, especially in the night. I think the same omissions could not be made by transient vessels; my reason is, that lock tenders, knowing these vessels are regularly employed in the transportation of freight, and not paying their tolls each trip, as transient vessels do, permitted them to pass without a clearance, when they would not permit a transient vessel to do so. I have compared my books with the register of entrance to and from the canal, kept by Capt. Raymond, at Bordentown, since July, 1846. A comparison has been made; I was present part of the time, and part of the time was not. There have been numerous instances of transient vessels passing the collector's office at Princeton without stopping for their clearance, but were detected at the locks at both ends of the canal, and detained until they had obtained their clearance at the collector's office. No instance of their escaping the payment of tolls has come to my knowledge. Upon examining Capt. Raymond's books, and comparing them with ours, we have found vessels registered in his books not in ours, and vessels registered in our books that were not in his books, I mean through vessels or vessels that were designated such

by the books. I think, on this examination, there were vessels of other lines, having special contracts with the company for the payment of their tolls, than those of the Merchants and Swiftsure lines, which were registered in Capt. Raymond's books, and not entered in our books. I have only knowledge of one line in which I think this has occurred, and that is the Albany. It might have extended to other lines, but I am not prepared to say whether it did or not. I cannot give particulars of the Albany line, because I was not present during the whole examination. I can give a reason why the vessels of those lines should frequently appear in Raymond's books, and not in ours, I mean the fact, that they would come to our office as a light boat, having no through freight, but taking way freight along the line of the canal; such vessels would be entered by Capt. Raymond as vessels laden with merchandise; the tolls would come into us at the end of the month on the general account; the tolls not being collectable as the boat passed, and the freight being way freight, not being subject to transit duty, we had no occasion to enter the boat in our books; the boats of these regular lines did not till lately pay lockage and mileage. The following transportation lines, at the present time, do not pay tolls according to the general tariff of tolls: the Merchants and Swiftsure lines, the Commercial Transportation Company, the Hartford line, the Baltimore line; these are all that I have any knowledge of at present. As to the Baltimore line, we have never had a settlement with them, and I do not know what the precise arrangement is with them; it has been in operation only three or four months, it being a new concern. The Merchants and Swiftsure lines pay the canal company one quarter of their freight, one quarter of the whole freight charged by them on all merchandise; that is the way I understand it. It is not my duty to settle with these companies or lines. settle with the Hartford line and the Commercial line; the Hartford line pays seven per cent. on the freight of coal, and ten per cent. on the freight of merchandise. This is the toll they pay on articles which they pass through the canal; they run between Philadelphia and Hartford. The Commercial line pays fifteen per cent. on merchandise, and ten per cent. on coal, on the freight charged. This line runs between Philadelphia and Albany. There is no special arrangement with the Easton line, at present they pay the regular rates of toll.

I presume the object of Capt. Raymond's book is to keep a register of every boat that passes his lock, that is my understanding

of it. It has lately been the practice of the superintendent of accounts to compare his book with mine, to see that no boats have been omitted. This practice has been adopted in consequence of finding that many boats had been omitted. When I say that the estimates of tonnage made by me were made according to my best judgment at the time, I should add, that always there was a disposition to make them large and liberal; that was according to my instructions. I would undoubtedly place confidence in the estimates lately made at my office in Princeton; my belief that my entries of tonnage have exceeded the amount of cargo, is founded, in a good degree, upon the estimates which have been made at Princeton this summer. I would have more confidence in the estimates made by the persons who made that examination than I would in my own personal knowledge of the subject, situated as they were, and situated as I am. From their knowledge of the business of the transportation offices, I should have confidence in their being able to get nearer at the truth. If they should furnish me estimates carefully made by themselves, I could rely on having the correct amount of tonnage in this way. In such cases I should have to rely on their correctness and integrity. The officers of the canal company or of the joint companies have never directed me to omit to return any tonnage that has passed through the canal, and never have indicated any desire for me to do so; their general instructions have always been that all should be returned. From my intercourse with them, I believe it to have always been their desire and wish that it should all be returned; so far as I know and believe, they have always supposed that all the merchandise transported through the canal has been returned to the treasurer of the canal company, until after it was discovered that some had not been so returned. To the best of my knowledge and belief, it has always been their desire that any merchandise omitted in the returns should be returned afterwards. It was one of the objects of the examination made in my office this summer, to ascertain the merchandise which had been omitted, in order that the amount might be returned. It is the purpose of the officers to ascertain, if possible, the full amount that has been omitted, in order that it may be returned. This is expected to be done with regard to any other lines in which omissions may have been made, as well as with regard to the Merchants and Swiftsure lines.

My instructions from Com. Stockton, president of the canal company, always were, that whenever I had any doubt whether mer-

chandise belonged to the class superior or inferior, in reference to the higher or lower transit duty, to decide in favour of the state, and to put it down as superior merchandise. I have always done this to the best of my knowledge and belief; it is the rule which has governed me throughout. It first came to the knowledge of the officers of the company that omissions had been made in the returns made to the treasurer of the canal company at the close of the year 1846, or the beginning of the year 1847, so far as I know and believe; I thereupon received instructions from them to ascertain and return to the treasurer of the canal company the amount which had been so omitted. It was on this occasion that I made the return of the 11,070 tons. So far as I know, and as I believe, they supposed that this return embraced the amount of all the omissions that had been made. To the best of my knowledge and belief, the first knowledge the officers of the companies next had, after this occasion, that other omissions had been made, was after the commencement of the present investigation at Bordentown.

With regard to vessels which pay as they go, the way I ascertain the amount of cargo on board is as follows: in the case of vessels loaded with coal, I ascertain it by the bill of lading and tonnage of the vessels, and so generally with a vessel loaded with one description of articles. In case of promiscuous cargo, I am governed by the bill of lading and inspection. It was at the opening of navigation this season that I wrote to the agents of all the transportation lines paying monthly, that unless the manifest came with the boat, or I was advised that it would come by the next vessel, I should stop the boat. The omissions in 1848 were very few; the omissions in 1847 were a great deal less than the previous year; very few omissions were made prior to 1845; to the best of my belief there were none prior to 1840. When I mentioned that there were omissions in the Albany line, I meant omissions of sending manifests of vessels, but no omission of tonnage. The tonnage was entered regularly at the end of the month. I settled their accounts myself, and got the weights of merchandise and coal; I got the weights from the agents of the company, and statements from their books. I am confident that the additional return made in 1847 was for both eastward and westward merchandise for the last four months of 1846. It frequently occurred that in the case of the Albany line, where the tonnage was entered in gross at the end of the month, that the tonnage both ways was entered either in the eastward or the westward book, without discrimination; and so in this

case, although the additional return is entered in the eastward book, yet I know the fact that it was intended for both ways; the Albany line was often entered the same way.

In order to ascertain the amount of omissions in the year 1846, I wrote to the agents of the Merchants and Swiftsure lines, at both ends, to furnish me a manifest for each and every trip; they did so, to the best of my knowledge and belief; by manifests, I mean what the agents call toll lists, and such as are usually sent by vessels. I don't remember how many they sent me; I directed them as to what period of time to send manifests; I did not consider that there were any omissions of any consequence previous to that. The time designated was the last four months of the year 1846. They did not specify thereon the number of tons, either for each cargo or the whole amount. In making up the amount, I had to be governed by the documents sent to me. When I said, yesterday, that the practice of inserting the tonnage of cargo on the manifests sent by the boat commenced with this season, I had reference to the general practice; it was sometimes done before that. My duty with regard to all vessels, whether they paid toll monthly or as they passed, has always been to enter their cargo on my book the same as though they did pay toll as they passed, and to return the gross amount of tonnage to the treasurer of the company, at the end of the month, embraced in my regular returns, and as a part of my regular returns. In reference to omissions of tonnage of other lines than the Merchants and Swiftsure lines, I find now, on referring to my book, that there have been omissions of trips by the Hartford line, and I am under the impression that the same is true with regard to the former Baltimore line, running in 1847, and I am not certain that there may not be omissions in other lines. As I stated before, the company intend to examine with regard to other lines.

The tolls lists here produced by me are a sample of those furnished to me prior to the present year, by which it is impossible to arrive at the correct amount of cargo. From my experience, as collector at Princeton for some years past, the plan that I would propose as calculated to be more correct than that which has been pursued, would be a weigh-lock. I have heard complaints made by captains of vessels, not belonging to the regular lines having special contracts, of partiality to boats belonging to those lines; complaint has been made that there ought not to be any arrangement made by which a line should have any privilege over a particular vessel or an individual; I can't say they have been frequent. I

think there has been an increase in the transportation of general merchandise in transient vessels from New York within the last few years. I don't think there has been any increase the other way; if any, it is very small. I spoke of an unsettled account of the last trips of the Merchants and Swiftsure lines; I never brought the subject before the executive committee or directors. I did not become fully satisfied that there were omissions of tonnage till the present investigation began. I knew there were missing trips, but I thought the tonnage returned would correct it. The knowledge that there were still omissions not covered, was brought to my knowledge by the present investigation.

On the attention of the witness being called to an entry on the collector's books of \$1082.12 for tolls on coal received by J. W. Pennington, collector at Fairmount, the tonnage 1829.07 tons, set down to correspond with the money, is incorrect, that the tonnage should be 3591.4 tons. That the mistake occurred in the following manner: I was required to make my return to the treasurer of the canal company by the first day of January, to enable him to make his return to the state treasurer. In order to make up the statement of tonnage, not having received Pennington's account, I made up his account for December from the tickets which I had received, signed by him, making the entry as it stands in my books. The increase of tonnage in his statement, when received, was caused by his blending some of his November tolls, which he had not returned in his November account, in his December account. This explanation is made according to the best of my recollection at the present time.

October 5, examination continued.—The mode of estimating or ascertaining tonnage has frequently been a subject of discussion and consideration with the company, with a view of a greater degree of correctness in that respect. Difficulties have presented themselves to the company with respect to any mode suggested. A weigh-lock would not determine the weight of superior and inferior merchandise separately, when a boat carried both kinds of merchandise.

You must know the weight of the vessel to make an estimate of cargo correctly by a weigh-lock. The weights of many transient vessels would be unknown. The company rely upon my estimates of cargo of transient vessels with respect to the tolls charged. I am authorized, as collector, to swear any captain of a boat, with reference to the amount of cargo of his boat or the correctness of

his manifest. My opinion is, that a weigh-lock would be more satisfactory, generally, as a means of ascertaining the weight of cargo, than the plan or mode now in use; my principal reason is this, the bulk or majority of transportation on the canal is coal; that being solely inferior cargo, we can undoubtedly get the correct weight of it. There are also many instances of cargoes composed entirely of superior merchandise, and then again there are frequent cases in which the cargo is mixed, that is, made up of superior and inferior both.

There have been instances of attempts being made to deceive the collector with regard to the number of tons of coal carried by a boat; they have not been frequent.

To the best of my knowledge and belief, all the tolls due to the canal company from the Merchants and Swiftsure lines have always been regularly paid. This is also true with respect to all other regular transportation lines through the canal, except in one or two instances, where the parties became insolvent. The question of the mode of ascertaining canal tonnage has been a subject of conversation amongst the officers of the company for years past. I think the matter was considered by them, on account of the difficulty which they knew the collectors on the canal laboured under in getting a correct account of the cargo, from having to overhaul it, &c.

There are other collectors besides the one at Princeton, who are authorized to collect way tolls. The duty of the Princeton collector is not to collect way tolls, unless the vessel passes his office; but he, alone, collects all the through tolls, there being but one office for through tolls.

PETER V. DEGRAW.

Sworn and subscribed, the 5th day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Saturday, October 6, 1849.

William T. Anderson, being duly sworn, deposeth and saith—I am at present book keeper of the New Brunswick Steamboat and Canal Transportation Company, and I reside in New York. I have been in that situation since the month of May, 1837, all the time in New York. I came, at that time, from the Hudson River Steamboat Association; that was the first of my connection with the New Brunswick company, before named, or with any company connected

with the joint companies. During this time the only out-door business I have attended to on behalf of said company has been their coal barge business. I have attended to the accounts of the steam towing business during the whole period, up to 1846. From the year 1837 to the year 1846, the books I kept showed the entire account of the steam towing, so far as I know it; by the steam towing business, I mean the towing of boats, vessels, and barges between the city of New York and the eastern termination of the Delaware and Raritan canal, and between Philadelphia and the western termination thereof, or, more generally, to and from both terminations of the canal; this towing was done by steamboats, sometimes called steam tugs. The names of the vessels thus employed, since I have been acquainted with the business, are the New York, Hornet, Thistle, Swan, Princeton, and the Amboy, and from time to time, when they have been disabled, we have been obliged to charter other boats temporarily; these that I have mentioned have been employed on the New York end, the other end the Amboy, part of the time, the New Jersey, Camden, Burlington, and Philadelphia; these boats did not all run at the same time. I think the average was about four running on the New York end; I can't exactly answer for the Philadelphia end. Part of the time Mr. Gatzmer kept the accounts of the business at the Philadelphia end, preliminarily to their being entered in my books; this was in the years 1840, '41, and '42; the remainder of the period the returns were made to me regularly, as they occurred, monthly, and entered in my books, at the New York end; they always were entered currently in my books as they occurred. Mr. Gatzmer always made to me the monthly returns of the business at the Philadelphia end, except in the years 1840, '41, and '42, which were subsequently rendered to me in gross. The receipts of the towing were rendered to me monthly, generally by Mr. Gatzmer; some transient towing at the New York end was rendered to me by the captains of the steamboats that did the towing, monthly; some of the time I got the accounts of the receipts of towing from Mr. A. S. Neilson, the treasurer of the New Brunswick company, who, I believe, got them from Mr. Gatzmer. By transient towing, I mean the towing of vessels not usually employed in the canal. Sometimes a boat, for accommodation, would tow a vessel out of the slip, or, on the river, to get through a reach, or some temporary job of that kind, and now and then an instance of a vessel to and from the canal, which had not paid at the proper place; this I call

transient towing, the receipts of which in money, and the accounts of which came into my hands from the captains of the towing boats.

I received no other moneys on the steam towing account, that I recollect. The moneys due for steam towing were usually paid to the treasurer of the company, or came to his hands from those to whom it was originally paid; I do not know who actually collected it. I think at one time Mr. Degraw, the collector of the canal company collected it. During the three years, 1840, 1841, and 1842, I got no account of receipts from towing to enter in my book, except the receipts for transient towing at the New York end, and an account of the towing of the New Brunswick company's toll barges; the balance of the receipts for those years were subsequently rendered to me by Mr. Gatzmer, and entered by me in gross in my books, in December, 1845. The expenditures of the Philadelphia end for those years came in at the same time, and were entered in my books in the same way; for the balance of the time, I always received the account for expenditures at the Philadelphia end, monthly, from Mr. Gatzmer, prior to 1840, and from A. S. Neilson, treasurer, after 1842; this is as near as I can recollect. Mr. A. S. Neilson received them from Mr. Gatzmer, I believe. The expenses for the New York end were the expenses of running the boats, the pay roll of the men, chandlery account, fuel account, repairs of the boats, summer and winter, and, generally, the running account; the charter of other extra boats was also included in this account. I paid these expenses as they occurred, with moneys furnished by the treasurer of the New Brunswick company, and I entered them as they occurred. The treasurer also occasionally defrayed the expenses at New Brunswick, which, with the vouchers, were returned to me, and entered in my books; I speak to the best of my recollection at present. I received from Mr. Gatzmer a detailed account of the expenses at the Philadelphia end, and entered it in detail in my books, under its proper head; I do not now speak of the years 1840, 1841, and 1842. I believe that the New Brunswick company did this business on behalf of the Camden and Amboy Railroad Company, but I do not speak of my own knowledge; I always knew that the steamboats belonged to the Camden and Amboy Railroad Company. A settlement has taken place with the Camden and Amboy Railroad Company and the New Brunswick company in regard to this business; this settlement took place in the year 1846; at that settlement certain general expenses were charged to the account of the steam towing, in addition to

the current expenses of the running of the boats, which had been charged as they occurred; these general expenses to which I allude were fairly chargeable to the towing account; they were the expenses which had been accruing for several years back, and had been defrayed by the New Brunswick company. This settlement stands in my journal under date of October 31st, 1846, and the general expenses to which I allude are there specified. The gross amount of these additional expenditures is \$58,814.81. The first item of these additional expenditures is \$10,926.77 for general expenses. The expenses are composed of half of the salaries of the superintendents, agents, book keepers, and clerks of the New Brunswick company that attended to the steam towing business, in connection with other business of that company, for the period of ten years, from the year 1836 to the year 1845, inclusive; it includes, also, one half of the office furniture, stationery, fuel, &c., for the same period, the expenditures never having been charged to the steam towing account previously. I think, in my judgment, that one half of these expenses were fairly chargeable to the steam towing account. The next item of those additional expenditures is \$2874.19, for rent of bulkheads, wharves, store house, &c.; they were situated in New York; they were entirely rented for the use of the steam towing, and are for the years 1836, 1837, 1838, and 1839. The above sum is a balance of the account of those rents, after deducting a credit account for wharfage and rent of stores received. The debtor side of this account is \$9834.72, and the credit side is \$6960.53, leaving the above balance of \$2874.19, which was paid by the New Brunswick company for the steam towing account. The next item of this additional account is \$1825.62, and is for steamboat charters in the year 1841. I think that entry in the book of 1845, on the book, is wrong; this is for the charter of steamboats on the New York end, for the year 1841, for extra work, which had not been before charged to the expense account of steam towing business, and which was paid by the New Brunswick company on that account. It does not now occur to my mind why it was not included in the charge for current expenses. The next item of this additional account is \$75, for one half of office rent for the year 1843; this was the New York office. The reason why it appears by itself in this way is, I think, that I had a head for rent, general expenses for that year, and it had not been brought in before, not being included in the general expense account before explained. The next item is \$1256.64, being for half

of the salaries of Mr. Gatzmer, and his clerk, Mr. Safford, for the years 1843, 1844, and 1845, for attending to the business of the New Brunswick company, including the steam towing business, and paid by that company. The next two items are, \$323.99 for one half of the general office expenses for January, February, March, and April, 1846, and \$216.66 for one half of the salaries and expenses of Mr. Gatzmer and Wm. A. Morrell, for the same four months, for their service rendered to the New Brunswick company, in the steam towing and other business thereof, as before. The next item of the said additional account is \$23,315.92, and is for repairs to the steamboats, at both ends, from the 1st of January, 1846, to the 1st of May of the same year, embracing, also, the pay rolls and current expenditures thereof, and wood, &c., paid by the New Brunswick company, the 1st of May of that year being the time of their termination of the conducting the towing business, since which time it has been conducted by the Camden and Amboy Railroad Company, on its own account. The next item is \$500, for wharfage in 1842, in New York, paid by A. S. Neilson, the treasurer of the New Brunswick company, on the steam towing account. The next is \$500, paid under the same circumstances and for the same cause. The next item is \$17,000, put down as the charter of steamboat Hornet, from August, 1841, to August, 1846. She was procured, I believe, by the New Brunswick company for the steam towing business, and she was turned over to the Camden and Amboy Railroad Company when the New Brunswick company gave up the business of steam towing. In this I may be mistaken; she was pretty well used up when the New Brunswick company gave up the charge of the steam towing business; she came round to Philadelphia, and I lost the run of her; she was the property of the New Brunswick company while they were using her in the steam towing business, and they charged the steam towing business this amount for her charter while thus used. Mr. Gatzmer and myself went over this account, and he and myself thought, and I now think, that they were rightfully and properly charged to the steam towing business. The account was settled on this basis; there was a balance found due on the whole account, at that time, to the Camden and Amboy Railroad Company of \$5435.94, and that balance was paid to the said Camden and Amboy Railroad Company. In this settlement with that company, they were credited with all the receipts derived from the steam towing, and charged with all the expenses properly chargeable to

that account, being the expenditures which I have before mentioned. The New Brunswick company did not, in this settlement, charge any commissions for conducting and managing that business. The whole amount of money paid by the New Brunswick company to the Camden and Amboy Railroad Company on the towing business, for the time the former had it in charge, was \$54,729.61, this being the amount accrued in that business over and above the expenditures.

The New Brunswick Steamboat and Canal Transportation Company paid the steam towing account for towing all their own boats under my charge or agency; which were the coal barges. They also paid for the towing of their freight barges. Some of their vessels were sail vessels and propellers, and did not require towing. The propellers sometimes towed the other barges or boats of the company. The prices charged for towing the full coal barges of the New Brunswick company were twenty-five dollars a barge on the New York end, and twelve dollars and a half for the Philadelphia end; all the time I had the charge of them, as well as my memory serves me. The period of time in which I attended to the coal barges was from 1840, inclusive, till the time they were sold, I think in 1846; the prices charged were the same back to the year 1837. When my knowledge of the business commenced, nothing was charged for towing the empty barges; these barges carried from one hundred and fifty to two hundred tons. I cannot speak with certainty of the charges for towing the freight barges. I do not know what the charges were for other vessels, but I believe they were generally charged by the ton. There has not been any towing done for the New Brunswick Steamboat and Canal Transportation Company that has not been accounted for, that I have any knowledge of; neither has any been done for any other company or person, that has not been charged for, and paid, to my knowledge.

BORDENTOWN, Tuesday morning, October 9, 1849.

William T. Anderson's examination resumed.—Since the 1st of May, 1846, the steam towing account has been kept by Ira Bliss, Robert J. White acting as clerk; since that time the business has been conducted by the Camden and Amboy Railroad Company themselves. Mr. White has performed all the labour of keeping the books of account since that time, so far as the writing is concerned, except for a few days, while he was on a visit to Virginia.

One clerk can perform all the labour required in the writing. The railroad company have had an office in New York during all the time that I have been in the employ of the New Brunswick company. There is a great deal to do in that steam towing; it would have required more force in the railroad office, if they had done the business themselves. They have had to employ an additional book keeper and two out-door clerks, or agents, to attend to the business since they have taken the business into their own hands, Robert J. White, Francis H. Kester, and Mr. Buckbee. By the employment of such an additional force, the company could have managed the business themselves by the establishment of another office; they would have required another office, having to deal with a class of people that would have given constant interruption to the other business. I think no salaries of clerks or superintendents were charged to the towing account, until the general settlement in 1846. I think the management of the steam towing required half of the labour and attention of my office; that is, my opinion. The statement of the steam towing account for settlement was made by Mr. Gatzmer and myself, in October, 1846; my idea is that it was what we thought was right. I have no recollection that any previous understanding that the settlement should be made on this basis, was brought to my knowledge at the time, or that I ever knew any such previous understanding. After being made out, it was submitted by us to Mr. Edwin A. Stevens, and approved of by him. Whenever a contract was made for the charter of a vessel, I don't know that I can say who made it; but it always did meet the approbation of Ira Bliss, at least I know we always got his advice about it. The steamboat *Hornet*, as far as I know, was always used for steam towing while we had her; I am quite sure she was never used for any thing else. In putting down the amount for her charter in the final settlement, I took the advice of Mr. Gatzmer. I don't know whether any instructions were given to Mr. Gatzmer on the subject or not, I received none myself. The current expenses and repairs of the steamer *Hornet* were paid by the New Brunswick company, and charged to the steam towing account, the same as the other boats employed. The steam tow-boats did not earn any thing during that time but what was placed to the credit of the steam towing account, so far as my knowledge extends. The towage of the freight barges of the Merchants and Swiftsure lines have been as follows, as I find upon reference to my books: first for the barges of the Merchants line, from 1836 to

1839, inclusive, were \$25 on the Raritan, and \$25 on the Delaware, making \$50; from 1840 to 1842, inclusive, \$33.33 on the Raritan, and \$16.66 on the Delaware, making \$50; from 1843 to the time I left the steam towing, the 1st day of May, 1846, on the Raritan \$25, and on the Delaware \$16.66, making \$41.66. For the barges of the Swiftsure line on the Raritan, from 1840 to 1842, inclusive, \$22.22, and on the Delaware \$11.11, and continued at the same price up to 1846. Light barges of the Merchants line, from 1836 to 1839, paid \$12.50 on each river, making \$25 on both; after that, from 1840 to 1841, \$8.33 on each river; from 1842 to 1846, \$5.55 on each river. Light barges of the Swiftsure line paid, from 1842 to 1st of May, 1846, \$5.55 altogether, on both rivers.

The Merchants and Swiftsure lines paid these rates on their freight barges, and the amount was regularly credited to the steam towing account. These rates constituted a fair charge for the towing of those barges, in my opinion. The above rates were for barges carrying general merchandise. The rates for towing coal barges of the New Brunswick company, as I mentioned before, were \$25 on each river. I believe that these rates were equal to the rates charged for towing other coal barges; I judge so, because these rates are fair rates.

WILLIAM T. ANDERSON.

Sworn and subscribed, the 9th day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Thursday, October 11, 1849.

William H. Gatzmer, being duly sworn, deposeth and saith—I am in the service of the Camden and Amboy Railroad Company, as an agent. I commenced with the company in 1833, at first as a clerk on the steamboat between New York and Amboy. In 1835 I was transferred to the passenger office in Philadelphia, where I have been ever since. I was clerk in that office until 1840, while Wm. J. Watson was the agent. In 1840 I became the agent of the companies in Philadelphia, and have filled that situation ever since. In that capacity I have the superintendence of the steamboats, and whatever relates to the passenger business in general. The returns of the transportation of merchandise over the railroad are made to me, and I attend to such other matters as the executive committee impose upon me.

I have attended to the towing department at the Philadelphia

end. I pay the dividends on the joint stock of the companies, and also the interest on the loans payable in the United States. These matters I have generally attended to since I became the agent. I also act as the agent of the companies, with respect to the ferry stock owned by them, and the stock of the Philadelphia and Trenton Railroad Company owned by them; also with respect to some coal lands in Pennsylvania; that is to say, I have charge of the accounts relative to their coal lands. Since shortly after the commencement of the steam towing business, I have had the management of it, at the Philadelphia end; in the fore part of it, I acted on behalf of the New Brunswick Steamboat and Canal Transportation Company, down to the year 1846, when it changed hands; and since that time I have had the management of it, on behalf of the joint companies. The companies then managed the towing until September, 1848, when an association in the towing business was formed with Mr. G. W. Aspinwall, under which association the towing business is still carried on. The association is represented by him for his boats, and by me for the boats of the joint companies. While I was the agent of the New Brunswick company in the towing business, I had under me, at Philadelphia, in reference thereto, Richard H. Smith, whose name has since been changed to Richard S. Trowbridge, in the capacity of clerk; he at first collected the dues for steam towing from the boatmen. He collected them one year; after that the collections were made by Peter V. Degraw, at Princeton, and returned to me. Mr. Degraw continued to do so until 1846. I had also J. W. Pennington employed at Fairmount, the collector of the Schuylkill Navigation Company, to collect the towage due from such boats as passed through the Schuylkill canal to the Delaware and Raritan canal. This he attended to for one season only, while the New Brunswick company had charge of the towing business. Mr. Pennington is now employed for the same purpose by the present association. I had also a Mr. Safford employed, as a clerk, and also Wm. A. Morrell. If a boat was towed from the Philadelphia end to the canal, the charge for towage was collected by some of the persons under my direction, and paid over to me. The whole charge for towage clear through to New York, was all paid at the same time, and returned, as above mentioned, to me.

The towage of boats from New York to Philadelphia was collected, I think, in this way, the towage in the Raritan river collected in New York, and the towage in the Delaware in Philadelphia. The captains of the tow boats collect the towage charges for

transient vessels that pay as they go, those on the Philadelphia end making returns to me, and those at the New York end to Mr. Anderson, as long as the New Brunswick company managed the business. The great proportion of the boats towed both ways were coal boats, and furnished with permits at Philadelphia, or by the collector at Princeton; and their towage was paid at the Philadelphia end, for the towage both ways. Much the largest part of the money received for towing was collected at the Philadelphia end. Boats belonging to regular lines generally paid their towage monthly; these monthly payments were mostly made to me. The Camden and Amboy Railroad Company furnished the tow boats; they principally owned them, some they chartered. The New Brunswick company attended to this business, on behalf of the Camden and Amboy Railroad Company, until the 1st of May, 1846.

The New Brunswick company paid, or gave the railroad company credit for the towage of its own boats. It paid at a fair rate, according to the rates paid by other boats. I assisted Mr. Anderson in making up the account for the final settlement of the towing accounts between the New Brunswick company and the joint companies in 1846, to be found in the journal for steam towing for 1846, page 29, and also to be found under the date of October 31st, 1846, in the day book of the New Brunswick company, kept by Mr. Anderson. The account, as found in those books, being shown to witness, he says, this is the account I mean, and which I assisted to make up. The first part of this account exhibits the net balances of the proceeds of towing for each year, from 1835 to 1846, after deducting the expenses of the running of the steamboats. This includes coal, wood, chartering of steam boats, and all other expenses connected with, or incidental to the running of the boats. It includes, also, the repairs of the boats, summer and winter. Some additional expenditures, by the New Brunswick company, were introduced in the final settlement of the account, which had not previously been deducted, in making up the annual balances, (exclusive of current expenses and repairs connected with the boats) up to May, 1846. These additional expenditures were as follows: \$10,926.77 is for the one half of the general expenses from 1836 to 1845, inclusive, the nature of which Mr. Anderson can specify better than I can. I was satisfied, at the time, that this moiety of \$10,926.77 of general expenses was properly chargeable to the steam towing business. The next item is rent account, and this, with several other items, amounting in all to \$24,572.12, I

considered, at the time, as also properly chargeable to steam towing. One of these items is \$17,000 for charter of steamboat *Hornet*, from August, 1841, to August, 1846. This boat was owned and furnished by the New Brunswick company, and for the charter of which they charged the steam towing account for the above period of time. I think it was about a fair price for her charter for that time. I have no distinct recollection how this precise amount for the charter of this boat was charged. I recollect Mr. Anderson and I had consultations with Ira Bliss and E. A. Stevens in reference to the account. We have rather more assistance now, in conducting the steam towing, than we had previous to May, 1846. Captain Raymond, at Bordentown, gives attention to it at Bordentown. He collects the towage not collected by the officer at Fairmount on vessels that do not pay monthly, and keeps a list of all the vessels that pass his lock that do pay monthly. I still collect the towage from the Merchants and Swiftsure lines. Mr. Francis Kester, at New Brunswick, performs the same duties there, in reference to towage, that Captain Raymond does at Bordentown.

I have no knowledge of any understanding with the New Brunswick company, as to the terms upon which they would undertake the management of the steam towing business; had with them previous to their undertaking it. I do not know that I can state any reason why the charge or management of the steam towing was committed to the New Brunswick company; I so found it when I came into the agency in Philadelphia. I think the business was managed quite as economically as if it had been managed at the proper office of the railroad company in New York; I mean it has been managed with as little cost to the Camden and Amboy company as if they had managed it themselves. They would have been obliged to have had more force in their offices at New York, if they had conducted it themselves. It would appear, by the settlement account, that the New Brunswick company, on account of their management of the business, had the use of considerable sums of money, arising from the towing business, without paying any interest for them. Taking the account as stated, and calculating interest on balances on both sides for each year at six per cent., there would be a balance of interest in favour of the towing account of about \$17,000. No interest was ever paid on those balances by the New Brunswick company, to my knowledge. I have no knowledge of any arrangement by which those balances were suffered to remain in the hands of the New Brunswick company;

they remained there on deposit, the account being unsettled. I find, by the account, that in 1840 a balance of about \$4000 of the steam towing was in my hands, and in 1841 a balance of about \$13,000 was in my hands from the same source, and in 1842 a balance of about \$20,000. These moneys stood to my credit in my general cash account in the bank, in the same manner as any moneys of the joint companies in my hands.

The above named balances in my hands were subject to the draft of the treasurer of the New Brunswick company, and I think it very probable that part of them were paid to the said treasurer, or upon his draft, prior to the settlement in 1846. The balances on steam towing due from the New Brunswick company I always considered subject to be drawn for at any time by the joint companies, as far as I understand it. In making up the settlement account, I considered that the expenses charged in it to steam towing were all the charges and expenses properly chargeable to it. Nothing was said about compensation to the New Brunswick company, and no allowance was made in the account to the New Brunswick company, as, or for compensation to them, for the management of the steam towing business. I rather think that the change in the management of the steam towing, in 1846, was made at the instance of the joint companies; that they thought they had better attend to it themselves. Monthly settlements have been made, since September 1st, 1848, with Mr. Aspinwall, for the steam towing business. I do not know of any services rendered by the New Brunswick company in the steam towing business, other than the services of the clerks and superintendents, who were allowed compensation therefor in the account, as finally settled.

A. S. Neilson is treasurer of the New Brunswick Steamboat and Canal Transportation Company, and I think attends to the business of the company at New Brunswick. Mr. Anderson is also employed, and does the business in New York. We advised with Mr. Bliss, as the agent in New York of the Camden and Amboy Railroad Company, in settling the towing account. Mr. Stevens was, I suppose, concerned in both companies. He was superintendent and treasurer of the railroad company, and also a director and superintendent of the New Brunswick company, as I understand. Nothing was said, at the time of the stating of the accounts, of the benefit or advantage enjoyed by the New Brunswick company from the balances which had remained in their hands from the towing business. I cannot say whether the New Brunswick

company derived any advantage from the balances in their hands; as to the balances which I have mentioned in my hands, I can say they did not. I suppose the New Brunswick company could have derived some benefit from the balances, if they had chosen to use them. I should, at any time, have paid any funds in my hands belonging to the New Brunswick company in accordance with orders from Mr. E. A. Stevens, from his being the superintendent of the company, and I would have done the same thing, as to any funds belonging to the railroad company, for the same reasons. One inducement for forming the connection in the towing business with Mr. Aspinwall was, that the joint companies had hardly boats enough for the business, and Mr. Aspinwall was engaged in the same business, and it was considered advisable to form the connection, so as to save money to both parties, by not running more boats than were necessary to do the business.

The steam towing business was never looked to, by the joint companies, as a source of profit, it was established as necessary to render the communication with the canal complete. The Camden and Amboy Railroad Company never owned the steamboat *Hornet*; she was originally bought by the Camden and Philadelphia Steam Ferry Company, and they sold her to the New Brunswick company, in 1841, and they owned her until she was broken up. She was pretty much worn out when she was drawn off from the towing business, in 1846. What her real value was I cannot say, as I am not sufficiently well acquainted with the value of machinery. I cannot state now with absolute certainty the time when she quit running.

The passenger returns are made to me daily, in regard to the lines running out from Philadelphia on the Camden and Amboy railroad. The settlements of branch roads connected with it, to wit, the Burlington and Mount Holly railroad, the Philadelphia and Trenton Railroad Company, and the New Jersey Railroad and Transportation Company, are made monthly. The books which I have sent here, on the call of the commissioners, exhibit the accounts of the Camden and Amboy Railroad Company.

BORDENTOWN, Friday, October 12, 1849.

William H. Gatzmer resumed.—Upon reflection, I am now under the impression that the charter of the steamboat *Hornet* was made seventeen thousand dollars, for the reason that that was the amount paid for her by the New Brunswick company. She was

used up in the towing service, and it was considered fair to both companies that that amount should be fixed as the charter for the time she was used in the towing business; independent of this reason, I consider it a moderate charter.

I keep a full daily account of the disbursements and receipts of the Camden and Amboy Railroad Company, at Philadelphia. The clerk of each line returns, daily, a way bill showing the number of passengers carried, where from and where to, and the amount of money received for them; this bill is examined by the ticket clerk, to see if all the tickets used are accounted for; then the clerk who keeps the abstract book examines, to see that the proper fares are charged, and that the amounts are correctly extended and added up; he then enters the number of passengers and the amounts on the abstract book, under their appropriate heads, and the clerk who has charge of the day book enters the amount in the day book. The results of the settlements with the Philadelphia and Trenton Railroad Company, the New Jersey Railroad and Transportation Company, and the Burlington and Mount Holly Railroad Company are entered on the day book after settlement, generally monthly. The returns from the railroad transportation agents, Messrs. Freeman, Decker, and Fish, are entered monthly, and all other receipts of the company coming into my hands are entered in the day book when received, or as nearly so as practicable. The disbursements are entered, under their appropriate heads, in the day book daily. The bills or vouchers are carefully examined before they are entered by the book keeper, to see that they are free from errors. The amount of receipts and disbursements are carried from the day book to the ledger, and, at the close of each month, abstracts of the receipts and disbursements are made out and forwarded to the agent at Bordentown. These are the abstracts which the commissioners have had before them, and the books to which I have referred. The abstract books, day books, and ledgers are the books that are here at this time. Capt. Richard Shippen is the agent at Bordentown, to which I referred. The bankable funds received by me are generally placed to my credit in bank, the uncurrent funds received are mostly paid out in disbursements. I deposit from time to time, to the credit of the treasurer of the Camden and Amboy Railroad Company in bank, keeping sufficient in my hands to meet the claims on the Philadelphia office. I make out an account current with the treasurer of the Camden and Amboy Railroad Company monthly, crediting him with the receipts, and charg-

ing him with the payments made for the company; this account is forwarded monthly to the agent at Bordentown aforesaid. The following is the mode of conducting the business of the passenger lines: tickets are furnished from my office, embracing the different stations on the route, to the ticket clerk at the station, or on board the steamboat which starts with the line. The ticket clerk in my office keeps a memorandum of the number of tickets of different kinds that are thus issued. The ticket clerk on the line furnishes each passenger with a ticket, on the payment of his passage, and enters the name and the amount, where from and where to, and the amount of passage money, on a way bill, of which he keeps a duplicate, so far as regards the lines in connection with the New Jersey Railroad and Transportation Company, but no duplicate for the lines on the Camden and Amboy railroad, by Amboy, nor for the lines to Mount Holly. The tickets sold for Mount Holly are divided into two compartments, one of which is cut off by our conductor and the other taken up by the conductor of the Mount Holly and Burlington railroad, and the same process is adopted on the return. These compartments are evidence to each company, respectively, of the amount of travel on the joint lines. The ticket agent on the line, after furnishing his passengers with tickets, and making up his way bills, delivers one of the duplicates to the conductor on the lines connected with the New Jersey Railroad and Transportation Company, and on the other lines delivers to the conductor a card stating the number of passengers to get out at each station; and he then returns with the boat to Philadelphia, and, before delivering his way bill into my office, he receives from the conductor of the return train, and enters on his way bill, the said conductor's returns of way fare collected by him after leaving Amboy. He then returns the way bill, and the amount of money which it calls for, into my office, and also the balance of tickets not disposed of; and the account of his day's transaction is then examined by the ticket clerk in my office, as before stated. The number of tickets of each kind issued to him is charged to him, for which he must account, either in money or by return of tickets. The amount of money received by the ticket clerk on the line from the return conductor is exhibited by a way bill, kept by the conductor, and signed by him, which he delivers to the said ticket clerk, and which the latter returns with his own way bill, as his voucher for the amount of money thus received. The duties of the conductors are as follows: on the lines in connection with the

New Jersey railroad, on receiving the duplicate way bill from the ticket clerk, he takes charge of the train, collects the passage money of any passengers that take the cars after leaving the boat who have not procured tickets from the way station agents, and keeps a way bill, on which he enters such passengers, their points of entry and destination, and the amount received from each; he also collects the tickets of those getting out at the way stations or at New Brunswick, except at Princeton, where the tickets are collected by the stationary agent. He hands over the duplicate way bill delivered to him by the ticket clerk to the conductor on the New Jersey railroad. Before delivering it over, however, he enters upon it such passengers as enter the line by the way destined to places beyond New Brunswick, so as to show to the New Jersey Railroad Company the amount of money received by the Camden and Amboy Railroad Company on this end of the line; which is also demonstrated by the tickets in the hands of the passengers, which are taken up by the conductor of the New Jersey Railroad Company. On his return, the conductor makes another way bill, on which he enters the passengers who enter the cars on the return trip; his two way bills he returns to the ticket clerk on the line, and he enters these bills on the way bill of which he kept the duplicate, before returning it to my office, as before stated.

The conductor's duties on the line running to Amboy, after receiving the memorandum, before mentioned, from the ticket clerk, are to pass through the cars, and see that every passenger has a ticket, supplying those that may not have, and taking the fares of those entering the cars by the way, of which he keeps a way bill. This way bill he passes over to the ticket clerk on board of the boat at Amboy, and hands him the money. On his return, he collects fare in a similar manner, keeping a way bill, and returns the same to the ticket clerk at the Philadelphia end, who enters the same on the way bill, as before mentioned. The through tickets on the Amboy route are taken up at Amboy by the clerk of the steamboat. The tickets which the conductor on the Amboy route takes up from the passengers he turns over to the ticket clerk at the other end of the line, who seals them up, together with the through tickets taken up by himself at Amboy, and sends them back to Philadelphia, directed to me. The same thing is done by the agent of the New Jersey road, on the upper route; he seals up the tickets and sends them to my office. The tickets taken up by the conductor on the upper route from persons not passing beyond New

Brunswick, he returns to my office. There is no check upon the conductors, as to way travel between intermediate stations on either route, except as to passengers getting out at Princeton, where they have to pass through the gate, and deliver their tickets. We have adopted an arrangement, however, for detecting any material abstraction which might happen in this way.

A set of tickets, embracing an assortment for the different stations, is furnished to each conductor, from my office, in sufficient number to meet any probable exigency. Such of these tickets as are given out by him to passengers going beyond the terminus of the road are taken up by other persons, as before mentioned, which operates as a check on the conductor; but tickets between intermediate stations are usually taken up by himself, and his own account is relied on. The business of the lines running from New York to Philadelphia is managed in a similar way, in all material respects, to the mode herein before described for the business from Philadelphia to New York.

The original way bills of the business, to which I have before alluded, are here now before the commissioners, also the vouchers for the expenditures. The books of my office, which are before the commissioners, contain a true account of all the business of the Camden and Amboy Railroad Company that passes through my office, and under my direction and supervision as agent. They are true books. There are no other secret books which show any different state of accounts from these. There is no two sets of books.

BORDENTOWN, Thursday morning, October 18, 1849.

William H. Gatzmer resumed.—On my examination, on the 11th inst., I stated that Mr. Pennington was employed to collect towage from such boats as passed the Schuylkill canal to the Delaware and Raritan canal, while the New Brunswick company had charge of the towing. By reference to my memorandum, I find that he was employed, in 1843, to furnish certificates of weight of the coal boats, and an account of the return freight that passed through the Delaware and Raritan canal and up the Schuylkill canal; in 1847, he was employed to collect the towage of boats, at Fairmount, destined through the Delaware and Raritan canal, when the Camden and Amboy Railroad Company had charge of the towing. I stated that, in 1840, 1841, and 1842, there were balances in my hands belonging to the steam towing account, and that it was quite likely that part of these amounts were paid over to the treasurer of the New

Brunswick Canal and Transportation Company prior to 1846. By referring to the books, I find that payments were made during those years in which the balances accrued to the New Brunswick company, and that the balances in my hands, as regards the years 1840, 1841, and 1842, were paid over, in 1843, to the New Brunswick company. I stated, on the 12th, that the ticket clerk on the line on the other end sealed up the tickets handed to him by the conductor, collected on the way, and the through tickets collected by himself at Amboy, and sent them back to me; I should have said that he turned them over to the office of the agent in New York, Ira Bliss, where they were examined by the ticket clerk of that office, sealed up by him, and sent back to my office.

The witness' attention being now called to a credit on his book of \$27,851.67, received from the steam towing account, from which is made a deduction of \$7227.94, expended on account of steamer Rainbow, whilst running to Wilmington and Cape May, in 1842 and 1843, the balance, \$20,623.73, being carried into the general abstract book, he was asked to explain this transaction. He says, an opposition boat was placed upon the route up the Delaware river by the proprietor of a steamboat line running between Philadelphia and Wilmington, to the injury of the business of the Camden and Amboy Railroad Company. According to my information, the proprietor of the Rainbow, a boat of great speed, agreed to put her on the route between Philadelphia and Wilmington, as an opposition boat, to induce the proprietor of the Wilmington line to withdraw his opposition boat running up the river; provided that if the business she might do did not meet the expenses, that the loss would be made up to him by the Camden and Amboy Railroad Company. She ran, in 1842 and 1843, down the river to Wilmington, and also made some trips to Cape May, and during that time incurred a loss of \$9922.76. Part of this amount had been advanced, and charged by the agent of the Camden and Amboy Railroad Company in New York, leaving at the close of the business \$7227.94 to be paid. This being a loss occasioned by the running of this steamboat, and having no particular head for entries of that kind, it was thought proper to deduct the amount from the receipts of steamboats, and it was therefore deducted from the returns of the steam tow boats in 1843, and entered at large on the day book, on the 31st of December of that year. Witness' attention being called to an entry on his books of \$200, under date of June 30th, 1848, paid to Louis P. Smith; and charged to inci-

dental account, without stating for what paid, says, this sum was paid on the draft of John R. Thomson in favour of Louis P. Smith, cashier of Princeton bank, on me, as I afterwards understood. It was for advances made by Mr. Thomson to other persons for services rendered the company. I never understood what those services were, or who the persons were, at least I have no recollection of it now. It was also authorized by E. A. Stevens.

Witness being desired to explain the increase of legal expenses in 1848, says, in the year 1848 there were several lawsuits on trial in Philadelphia and New Jersey, or decided, involving important principles. The suit of Peter Briggs against the companies, for the penalty of alleged overcharge in freight, was decided in the January term of the year 1848, by the supreme court of New Jersey, and was carried up to the court of errors and appeals. The case of Wilson against the Camden and Amboy Railroad Company, for alleged infringement of patent right in the use of the spark arrester, tried in the circuit court of the United States in Philadelphia; Bardulf against the company, for the recovery of about two thousand five franc pieces, alleged to have been lost on his passage from New York to Philadelphia; and there may have been some other minor cases, in consequence of the decision of the supreme court of New Jersey against the companies in Briggs' case. Other suits were threatened, and some commenced, and lawyers were retained to attend to them. Opinions were also obtained from several legal gentlemen, as to the construction of that section of the charter of the Camden and Amboy Railroad Company which relates to the rate of charges for the rate of freight on the railroad. In relation to an entry on the day book, of the date of June 22d, 1848, as for money paid to Alexander Wurts, esq., that money was drawn as a retaining fee for him, and charged on the book as if paid; but he having declined to receive it, the entry was afterwards corrected, and his name was erased from the books.

The reason why the general expenditures of the railroad company are larger than they were in former years in proportion to the income, from the limited attention which I have been able to give to it since I was last examined, is as follows: commencing, say in 1844, occasioned by extraneous expenses beyond the ordinary business of the company, disbursements usually chargeable to capital, such as enlarging, building, and purchasing steamboats, building and purchasing new cars, purchasing new locomotives, purchasing and relaying new iron rails, building new car houses,

new shops, new transportation houses, dwellings, and station houses, new wharves, wood sheds, &c., amounting in the year 1844, to about \$87,000, in 1845, to about \$197,000, in 1846, about \$164,000, in 1847, about \$155,000. In the early part of the business, the road and machinery were new, and required but little repair, and a less number of lines were then run, in proportion to the travel, than now, one train carrying as many passengers as we now run two trains to accommodate. An increase of the number of lines beyond what can do the business increases the expenses, but does not increase the receipts in proportion. In the year 1835, two regular lines were run only; the receipts were about \$679,000, the expenses \$317,000; in 1848, when five lines were run, the receipts were about \$1,152,000, and the expenses about \$663,000; the net receipts were much greater in 1835, in proportion, than in 1848; the same proportion would give, for 1848, receipts \$1,419,000; but were we to increase the expenses according to the increase of lines, the expenses in 1848 would amount to about \$792,000, which is about \$129,000 more than the actual expenses of 1848.

The free ticket list is made out by the executive committee, a copy of which is furnished to the different officers and to the captains of the steamboats, clerks of the lines, and the conductors; it is deposited with them for their guide, and they issue to the free list passenger, when he applies, a free ticket to the place of destination, which is taken up by the receiver of tickets in the same way other tickets are collected. If an officer issues a free ticket to a person not on the free list, or upon a written order of one of the directors, or of the agents who are authorized to issue free orders, he is held personally responsible for the amount of passage money, if not approved of by the executive committee. I have a record in my office of all persons, or nearly so, who are entitled to, or hold free tickets. The persons entitled to free tickets are the directors and agents of the company, directors and engineers of neighbouring railroad companies, captains of steamboats, stage proprietors, hotel keepers, gentlemen of the press, legal gentlemen, counsel of the company, relatives and friends of some of the prominent directors and stockholders, more particularly described in the state directors' report, made for the year 1847, with some additions since, and some diminution by deaths, &c. As to any other persons passing free on the road, not included in this description, passing free on the road or in the boats of the company, all I have to say is, that our instructions to our agents and conductors are positive, not

to permit any persons to pass without a ticket, with the exception of the workmen on the road, who are permitted to pass without tickets. I am not aware of the existence of any such practice as persons passing without tickets called "dead-heads," or otherwise not included in the description I have given of free passengers. Those persons having free tickets are not returned to the state for transit duty.

As to the receipts for transportation on the railroad, I take them from the monthly statements which are made before the executive committee by transportation agents, and enter the amount, both of tonnage and receipts, on my book and in the monthly abstract which I furnish to the agent at Bordentown. The receipts to 1st April, 1846, were \$7.64 per ton on the through freight, and half that amount on the way freight, except for coarse articles and what is called winter freight, which was at a less rate. Up to the date above mentioned, the business was done by the New Brunswick Steamboat and Canal Transportation Company, under the name of the Union line, which company paid the Camden and Amboy Railroad Company the above rates. The Camden and Amboy Railroad Company found the cars and machinery for transportation, and also steamboats. The settlements for the transportation were made between the agents of the New Brunswick company and the executive committee of the joint companies, usually at Bordentown, monthly; and the accounts for each month were carried into my books and abstract for the following month. After the monthly settlements were made, the statement was rendered to me, as before stated.

All the receipts, thus rendered to me, were always entered on my books, and credited to the Camden and Amboy Railroad Company; in like manner, all the receipts for the transportation of passengers were always duly entered on my books, and credited to the company; both were returned by me in the monthly abstracts which I made, and returned to the agent at Bordentown.

All the receipts of the Camden and Amboy Railroad Company, so far as my knowledge extends, have been entered on the books of the company, and carried to their credit. Some extraneous receipts are entered directly on the books of the treasurer, and do not pass through my books. Since April 1st, 1846, the transportation on the railroad has been conducted by the Camden and Amboy Railroad Company; the reason for the change, as I understood, was that the New Brunswick company refused to do

the business any longer. The receipts have been returned to me since that time, in the same manner they were before. The individuals who superintend the business on the part of the railroad company are Wm. S. Freeman, Philadelphia, and Alfred Decker, New York, and Benjamin Fish, of Trenton; these agents make the disbursements incident to the transportation on the railroad. Those disbursements are not entered on my books nor on my monthly abstracts, nor do they appear in the general abstract of disbursements in the general abstract book kept at Bordentown; the net receipts are returned to me, in the manner above stated, and entered on my books, and also in the monthly abstracts which I make, and from thence into the general abstract book. The whole net receipts were paid to me monthly. Of these net receipts, an amount equal, according to the rates above specified, to what the railroad company had been accustomed to receive from the New Brunswick company, was paid over monthly to the treasurer, and credited to the transportation account; the balance was retained in my hands, and carried to the credit side of an account opened by me, called an insurance account. At the close of 1847, the balance of this account, amounting to \$32,021.39, was paid over to the treasurer, and the account closed; since which time the actual net receipts from transportation on the railroad are entered by me, monthly, in my books, under the head of transportation, and, returned in my monthly abstracts to the agent at Bordentown. Since the decision of the supreme court in the case of Briggs, or shortly afterwards, the rates of freight have been lowered, and the net receipts coming into my hands have, in consequence, been less than the rates formerly received from the New Brunswick company. The usual rates were nominally charged for a time, but only the rates decided to be legal by that judgment were collected, as a general thing; afterwards, however, the rates charged conformed to that decision, which is the practice now. The difference between the rates collected and the rates charged, during the time just mentioned, still stands charged on the books of the transportation agents against the persons whose goods were transported. Since the 1st of April, 1846, the transportation has been conducted under the old name of the Union line, at least I know of no change.

BORDENTOWN, Friday morning, October 19, 1849.

William H. Gatzmer resumed.—I am authorized and requested to state to the commissioners the amount of stock held in the joint

companies by the following individuals, at their instance: Messrs. John Potter and his two sons, James and Thomas F., own forty-one hundred shares; Commodore Robert F. Stockton and his son, John P., own four thousand six hundred and sixty-nine shares, Messrs. John C., Robert L., and Edwin A. Stevens own seven thousand and five shares. In the Philadelphia and Trenton Railroad Company, the same individuals own as follows: the Messrs. Potters three hundred shares, Robert F. Stockton ten hundred and fifty-nine shares, and the Messrs. Stevens seven hundred and twenty-one shares. Their proportional interest in the five thousand five hundred shares held by the joint companies is as follows: the Messrs. Stocktons and Potters sixteen hundred and eight shares, the Messrs. Stevens twelve hundred and eighty-four shares, calculating their interest to be in proportion to the amount of stock held by them in the joint companies, making in the aggregate, as held by these two families, 15,774 shares, out of the 30,000 shares of the capital stock of the joint companies, and making 17,854 shares held by them out of the 34,500 shares of the capital stock of both the joint companies and the Philadelphia and Trenton Railroad Company, exclusive of the 5500 shares of the latter company, held by the joint companies, and making the amount of their interest in the whole 40,000 shares of the joint companies and the Philadelphia and Trenton Railroad Company equal to 20,746 shares. The interest of the persons above named have stood in about the above proportion for several years past. Both families are interested to a considerable extent in the loans of the company, as holders of the bonds of the company.

The business passing through my office in connection with the Philadelphia and Trenton railroad is as follows: the daily account of the receipts of the lines running in connection with the Camden and Amboy branch road and the New Jersey railroad, kept in the office of the Philadelphia and Trenton Railroad Company by Jas. Morrell, secretary of said company, in Philadelphia, and in New York a daily account of the same lines from New York is kept by the New Jersey Railroad and Transportation Company. At the close of each month Mr. Morrell, of the Philadelphia and Trenton Railroad Company, and Mr. Southmayd, the agent of the New Jersey Railroad and Transportation Company, meet together, alternately in Philadelphia and New York, with abstracts of the month's business, and make a settlement of the business in which the New Jersey Railroad and Transportation Company are interested, and make the division of the receipts, according to the contract in re-

ference to this matter, Mr. Morrell acting on behalf of the Philadelphia and Trenton Railroad Company and the joint companies; and the amount which may be due from the New Jersey Railroad and Transportation Company on such settlement is paid over to Mr. Morrell. A settlement is then made between the Camden and Amboy Company and the Philadelphia and Trenton Railroad Company, according to the terms of the contract between them. The amount that is found due the Camden and Amboy Railroad Company is paid over to me. This settlement is made by Mr. Morrell and myself. The principle of the division is this: the money received is divided between the two companies, in proportion to the distance which the passengers are carried over each road, respectively; each company receives the whole way fare of passengers travelling exclusively on their own road. The Camden and Amboy Railroad Company furnishes all the machinery, such as steamboats, locomotives, and cars, and furnish the fuel, and pay the hands connected therewith; and in consideration thereof, the Philadelphia and Trenton Railroad Company pays the Camden and Amboy Railroad Company ten thousand dollars per month; this is the usual rate, it has sometimes varied a little. No additional sum is paid when, for any reason, the trains are obliged to run over the Camden and Amboy road from Trenton to Camden. This does not often occur, but does sometimes in case of accident or obstruction on the Philadelphia and Trenton route.

When the lines were first run in connection with the Philadelphia and Trenton railroad and the New Jersey railroad, the Camden and Amboy road, *via* Camden and Trenton, was more used by these lines, and at that time the Philadelphia and Trenton Railroad Company was charged at the rate of so much per passenger for carrying them their part of the way, that is, to Trenton.

The money received from the post office department, for carrying the mails, is divided between the two companies, according to the distance carried by each. The mail is passed between Philadelphia and New York four times a day; one passage is made by the Camden and Amboy company alone, for which they receive one quarter of the contract price, the other three quarters are divided in the ratio above mentioned. This contract only extends between Philadelphia and New Brunswick, the New Jersey Railroad Company have a separate contract for their part of the line. The repairs of the Philadelphia and Trenton Railroad Company are mainly done by the workmen of the Camden and Amboy Railroad

Company, but are paid for by the Philadelphia and Trenton Railroad Company. I don't think there is any written contract in reference to the ten thousand dollars per month, before mentioned. The rolls for the payment of the men employed in making repairs on the Philadelphia and Trenton railroad, and the expenses incurred in those repairs, are made out directly against the Philadelphia and Trenton Railroad Company, and paid by them. Capt. Shippen is paymaster, and pays these rolls, and then hands them over to me on his settlements, and I hand them over to the Philadelphia and Trenton Railroad Company, and collect the amount of them.

The charge above alluded to, of ten thousand dollars per month, is collected by me of the Philadelphia and Trenton Railroad Company, at our monthly settlements. The authority for making this charge against the Philadelphia and Trenton Railroad Company, is the instructions to that effect received from the executive committee. The same executive committee exercises jurisdiction over both roads, or, I believe, the same persons constitute the executive committee for both companies. The settlement of the amount paid to equalize dividends between the two companies, under the contract in that behalf, is also made by the authority of the same executive committee. Mr. E. A. Stevens is superintendent of both roads.

The Camden and Amboy Railroad Company, in carrying out the objects of their charter in making the road complete between New York and Philadelphia, found it necessary to have accommodations to cross the passengers from Camden to Philadelphia. They built and placed a steam ferry boat, called the State Rights, for that purpose, to ply between Camden and Philadelphia. They also built a tavern house at Camden, adjoining the ferry. After the charter was obtained for the Camden and Philadelphia Steam Ferry Company, they thought that the business of crossing the passengers and merchandise could be as well done by the ferry company; they therefore sold to the ferry company their steamboat, before mentioned, and a new boat called the John Fitch, and fixtures, and the hotel or tavern house to the Camden and Philadelphia Steam Ferry Company, and took the amount of sale in the capital stock of the said ferry company, amounting to twelve hundred and seventy-one shares, at the par value, fifty dollars a share, which sale to the ferry company was made in 1837 or 1838, I think. The ferry company has carried the passengers, and sometimes the merchandise, between Camden and Philadelphia, and have been settled with from

time to time for such service. Generally the rates paid by the Camden and Amboy company to the ferry company have been the same as those charged by the other ferries between Philadelphia and Camden, as regards passengers. As to the charge of freight of goods, I have not the means of making a comparison with those of other ferries; they have varied from time to time, but they have generally been from one to six cents per hundred pounds. For the freight carried by the way market lines, not belonging to the business of the transportation agents, the ferry company have had one quarter of the amount of freight received by the Camden and Amboy Railroad Company. The majority of the number of the shares of stock of the ferry company is held by the Camden and Amboy Railroad Company. The ferry company has made one dividend, in February, 1849, of five dollars a share.

The Camden and Amboy Railroad Company has never received any other income from their stock in said ferry company. The ferry company has purchased property, which they have been paying for out of their earnings, and still remain indebted for part thereof. They do not owe any thing to the Camden and Amboy company, except it may be for small bills for coal or the like. They did make a loan from the Camden and Amboy company, of their bonds, August 22d, 1840, amounting to the sum of \$37,500, and other funds, amounting in all, with those bonds, to \$41,554.82. The ferry company have repaid the whole amount of the loan, at the par value of the bonds, with interest. This loan was made by the ferry company, to enable them to purchase out Jacob Ridgway's ferry property, at the foot of Market-street and Arch-street, Philadelphia, and the tavern houses thereto annexed, and the ferry and ferry house at Camden, now called Cake's ferry, besides some stabling and dwelling houses in Camden, being all the property, I understand, owned by Mr. Ridgway in Camden. This property, I understood, was all denominated the ferry property of Mr. Ridgway. There was also included in the purchase a tavern property situated at Bloomsbury, South Trenton, including the wharf or steamboat landing adjoining. There was also included in the purchase from Mr. Ridgway the steamboat Hornet, and a stipulation to purchase of his tenants, Messrs. Reeves & Knisell, the steamboats Wm. Wray and Philadelphia, which were used on the said ferries, and which were accordingly so purchased. The fixtures of the said ferries, and, I think, a small frame dwelling belonging to Knisell, were included in the purchase. The ferry company runs two fer-

ries between Philadelphia and Camden; they rent out the Arch-street ferry landing and hotel. They still own the steamboat landing and tavern house at South Trenton, which they rent out.

The Camden and Amboy Railroad Company own no property in Philadelphia, held by trust or otherwise. The wharves in front of the Walnut-street block were built by the Camden and Amboy Railroad Company, and they now have use of them by the payment of an annual rent to the Philadelphia and Trenton Railroad Company. They also rent the offices used by them in Philadelphia of the same company. I should except the pier next to Walnut-street, which was built by the ferry company; and, after the Camden and Amboy Railroad Company removed its establishment from below Chesnut-street to Walnut-street, they built the wharves, as before stated. The Philadelphia and Trenton Railroad Company own the property at Bristol and Tacony. The coal lands in which the joint companies were interested have been sold, but not yet conveyed to the purchasers; it is under contract to be conveyed when the purchase money is all paid; the title is still in Robert F. Stockton, for the use of the joint companies. The following steamboats are owned by the Camden and Amboy Railroad Company: on the Delaware, the John Stevens, Trenton, New Philadelphia, Burlington, Washington, Camden, Amboy, and New Jersey (propeller); on the Raritan, John Potter, Independence, Transport, Swan, New York, Princeton, Rainbow, and Thistle. The Camden, Amboy, New Jersey, Princeton, Swan, New York, Rainbow, and Thistle are used as tow boats; the Burlington and Transport are freight boats; the rest are used as passenger boats. The Rainbow was purchased by the company, in the year 1845, of the Hoboken ferry company, as I understood.

In my examination yesterday, relative to free tickets, I stated our instructions to our agents and conductors are positive, not to permit any persons to pass without tickets; I should have added, or order of a director or authorized agent. The orders are generally in writing, sometimes verbally, to the ticket agent. We pass free the free list passengers of the Philadelphia and Trenton Railroad Company, the persons on their lists, and not on the lists of our company; all free passengers do not have a standing ticket in their possession, but are recognized by their names being on the free list, and are provided with a ticket by the ticket agent when they travel. I think some of the members of the legislature passed without tickets during the session of the legislature. My attention

being called to the fact, that reports have been circulated to the effect that the Camden and Amboy company and the Camden ferry company used coal off of the same heap, and wood off the same pile, indiscriminately, I have to say with regard to that, that the affairs of the two companies are kept entirely distinct; and if one company uses the wood or coal of the other, or any thing else, an account is kept, and settlements made thereof from time to time; and also, that any of the cars or machinery of the companies used at Camden, or any where else, for filling up the property of any of the directors or other individuals, or for any other private purpose, they are regularly charged for the work done or service rendered by such cars or machinery, and the amounts collected and paid.

On referring to the treasurer's book, I find that there is an entry of \$3741.24 charged for a deficiency in the insurance account, before mentioned, accruing from December 1st, 1847, to May 31st, 1848. I was mistaken, therefore, in saying that that account was closed at the end of the year 1847; it must have been closed on the 31st day of May, 1848.

There is one line, the six o'clock morning line, run by us in connection with the New Jersey railroad, in which the Philadelphia and Trenton railroad have no interest; the settlements for that line are made by a clerk in my office, and Mr. Southmayd, before mentioned, monthly.

The object in stating the amount of stock held by the principal stockholders having the control of the joint companies, was to show the fact, that their proportional interest in the joint companies was always about the same as their proportional interest in the stock of the New Brunswick Steamboat and Canal Transportation Company, commonly called the Napoleon company, and that they could have no interested motives, as has been charged, in sacrificing the interests of the joint companies to those of the Napoleon company, since every dollar made by the joint companies was attended with just as much benefit to them as if made by the Napoleon company. The real objects which the persons having the contracting interest in the joint companies have always had in holding an interest in the Napoleon company, have been, as I have understood it, and as my observation has led me to believe, to have it in their power to render the joint companies more profitable to the joint companies themselves. I think it very likely, also, that the joint companies, also, have left the transportation on the railroad to be done by the Napoleon company, from the idea that the Napoleon company

were not limited by any restrictions, as to the rate of charges for freight or otherwise, any more than any other individual using the road would be, and that the railroad company was entitled to charge them the full amount of tolls expressed in the charter, without expense to themselves. They also deemed it important to themselves to be free from liability of common carriers, the whole responsibility of which, it was supposed by this arrangement, was borne by the Napoleon company.

WM. H. GATZMER.

Sworn and subscribed, the 20th day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN; Monday, October 22, 1849.

William S. Freeman, being duly sworn, deposeth and saith— I am a transportation agent of the Camden and Amboy Railroad and Transportation Company. I have been such from the first day of April, 1846. Prior to that time, and from the seventh day of March, 1836, I was a transportation agent of the Union transportation line, of which the New Brunswick Steamboat and Canal Transportation Company were proprietors. My office has been in Philadelphia all that time, and up to the present. From the latter part of October, 1832, to the 7th March, 1836, I was a clerk in the transportation office of Hill, Fish & Abbe, in Philadelphia. They preceded the New Brunswick company, as proprietors of the said line, and it is still called the Union transportation line, under the proprietorship of the Camden and Amboy Railroad Company. The name was continued because it was an established line, and there was no just cause for changing it; and being a popular and well known designation, it was retained as a matter of convenience and policy. The said line has always been engaged in the transportation business, between New York and Philadelphia, across the state of New Jersey. At first its business was conducted by means of steamboats and wagons, occasionally sail boats were used, the steamboats running on the rivers Delaware and Raritan. On the Delaware, the steamboats first ran up to Trenton, and wagons went from thence to New Brunswick. This continued until near the end of the use of wagons, say till the spring of the year 1833, when we sent our goods by boats to Bordentown, and from thence in wagons, either to New Brunswick or to some point on the railroad. My impression is, that in the winter of 1833-4 we commenced

running regular on the railroad between Bordentown and South Amboy. Since that time the business has been conducted across the railroad entirely, either between Bordentown and Amboy or between Camden and Amboy. I cannot specify, from memory, what particular periods the boats have run to Bordentown. We are in the habit of sending the goods by Camden whenever the navigation is closed on the Delaware, and occasionally at other times. The Camden and Amboy Railroad Company were the reputed owners of the steamboats in which the business of the Union transportation line has been conducted, from the time I was first connected with it, in 1832. Hill, Fish & Abbe found their own wagons, as long as wagons were used, and during that time paid the railroad company a compensation for the use of their steamboats, which I think was twenty-five per cent. upon their receipts; and my impression is that they might have paid the railroad company a per centage on their business, after they commenced running on the railroad; but in the year 1835 they received a commission of about twelve and half per cent. for transacting the business for the New Brunswick Steamboat and Canal Transportation Company. On the 7th day of March, 1836, these commissions ceased, and the New Brunswick company employed agents to transact the business, and paid them salaries. It was at that time that I received my appointment as agent. On the 1st day of April, 1846, the New Brunswick company gave up the business, and since that time the Camden and Amboy Railroad Company have transacted it on their own account. The New Brunswick company were proprietors of the line from about some time in the year 1834.

The arrangement between the New Brunswick company and the Camden and Amboy Railroad Company I only know from the mode in which my accounts are settled, and according to that the railroad company received \$4.88 per ton on through freight, for the use of the railroad and cars and machinery, and \$2.76 per ton on the same, for the use of the steamboats, and half those prices for the aggregate of the way freight. For some coarse through freight, and for a class of through freight called winter freight, the amount received by the railroad company was less than these rates. By winter freight, we mean all freight shipped by J. & N. Briggs from New York, and Wm. M. Baird & Co., and their predecessors, Loper & Baird, from Philadelphia to New York, carried over the railroad in the winter season, which is carried at low rates of

freight, being articles that usually go through the canal, when it is open, and which is carried across the railroad in winter to accommodate the customers of the canal line, and to keep up the business of those lines. There are two principal agents superintending the business of the Union transportation line besides myself; these agents have been, since my agency commenced, Alfred Decker, at New York, and Benjamin Fish, at Trenton. The duty of Mr. Fish is to superintend the business in the state of New Jersey, of Mr. Decker to superintend the same in New York, and of myself to superintend the business in Philadelphia. We there meet monthly, with the executive committee of the railroad company, to settle the general business of our several agencies. Our several accounts of receipts and disbursements are then examined. In the statements that are made out for this settlement, are exhibited the weights of the goods transported for each day during the month, distinguishing the way from the through freight, and the amount of the way freight which is liable to transit duty; also the amount of receipts for the transportation of said goods, and by whom received; also the amount of charges advanced on the goods, when received from other lines and the expenses paid, and by whom so advanced and paid, showing the balance due to and from each agent and the amount due to the railroad company. The original way bills for the month are also produced to verify the receipts, and the vouchers for the disbursements are also produced to verify the same. A general statement of this settlement is then made, and a copy of it is furnished to Mr. Gatzmer, the agent of the railroad company at Philadelphia, and the money due the railroad company is paid over to their agent, Mr. Gatzmer. This was the plan pursued as long as the New Brunswick company had the business. Since the railroad company have done the business, the whole balance has been paid over to Mr. Gatzmer. The way bills, which have been sent here to the commissioners, exhibit a true statement of the goods transported by this line. The statements made at the monthly settlements, before mentioned, exhibit a true account of the business of the line, as accurately as it can be made. We consider all way freight subject to transit duty that crosses the state, or from the river Delaware to any point on the river Raritan, and from any point on the Raritan to Trenton, Bordentown, Burlington, and Camden, and so make up the accounts. Prior to some two or three years ago, Mr. Decker and myself construed the way freight subject to transit duty to include all points on the railroad below Bordentown, transported

to or from Amboy. We were told this was wrong, and directed to make the account as stated above. The reason given was, that our previous mode was not in accordance with the resolution of the legislature. I make certain disbursements in the business of the line; these disbursements are the damages, deductions, office expenses, incidental expenses, (by which I mean all expenses incident to the business not occurring in the office) rents, salaries, labour, and charges advanced on goods; these heads will cover nearly every disbursement made by me. The method of transacting our daily business is as follows: first, the goods are delivered to us at our scales, where they are immediately weighed, and the weights are entered on a slate, according to the mark and number of the package; a memorandum is then given at the scales to the shipper, containing the marks and numbers of the package, to whom consigned, and by whom shipped; this memorandum is taken to the office, where a receipt is given for it, and the articles recorded on the entry book, and also on a way bill, which is kept up as close as possible with the entry book. The entry book and way bill show the marks and numbers of the packages, weights of each entry, by whom shipped, and to whom consigned, the rate of freight, and amount received, or to be received for freight, together with the charges advanced on the goods, if any.

BORDENTOWN, Tuesday, October 23, 1849.

The goods are then forwarded to New York, the way bill accompanying them. This completes the operation, so far as I am concerned with these goods. The only paper or entry relating to the goods retained by me is the entry book before described. Way freight is received by the agents of the transportation line in nearly the same manner as at the principal offices, with the exception that it is not always weighed at the point received. This was more usually the case formerly than now, as we have lately supplied several of the agents of the stations with scales. Some articles, such as cider, peaches, fruit, grain, flour, potatoes, &c., are not weighed at the point of receipt or delivery, the general weight being known by us. A way bill is made out by the agents at the stations, and delivered to the conductor of the transportation train carrying the goods, which way bill contains a specification of the articles transported; which way bill is delivered at the office where the goods are to be delivered. When that office is at the end of the line, this way bill, containing the several articles, is entered on the principal

way bill, and the weights of the several articles inserted therein, with the amount of the freight received for the same. When way freight is received, and delivered at any intermediate station or point on the line, the agent at the place of delivery generally collects the freight, and accounts for it to Mr. Benjamin Fish, who, at some subsequent time, returns it to the principal office at the end of the line, and it is then entered on some way bill, generally at the end of the month. When the said freight is rendered in detail it is entered in detail, sometimes it is entered as a lot of sundries in bulk; my belief is that it is always entered on some way bill. The practice formerly was to return such freight indiscriminately to the offices at either end of the line, but the practice now is to make the return to the office in Philadelphia, when the goods go towards New York, and to the office in New York, when the goods go towards Philadelphia; and then the entries are made on the way bills at the office where the return is received, as before stated. The returns now made by Mr. Fish are more specific, as to items, than formerly. The goods are forwarded from Philadelphia by the steamboat Burlington every day at one o'clock; our rule is to forward all goods received by twelve o'clock, the same day. The goods are carried by that boat to Bordentown, where they arrive about half-past four o'clock P. M. of the same day, where they are landed, and forwarded immediately, by railroad cars, to Amboy, and there shipped on board the steamboat Transport for New York, where they are delivered at Pier No. 1, North river, at about five o'clock A. M. in summer, and seven o'clock A. M. in winter. The above is the general arrangement when the navigation is free from ice. When the navigation of the Delaware is obstructed by ice, the goods are sent to Camden, either in steamboats belonging to the Camden ferry company, or in barges hired for the purpose, which barges are generally towed by steam, by the ferry company; the goods are then transported by railroad to Amboy; goods are also sent by way of Camden, when accidents occur to the steamboats on the Delaware. If produce, fruit, and other articles are taken up by the passenger lines, such freight will, or ought to appear on the regular transportation way bill for the day of the transaction. This account is rendered by the conductor to the transportation agent at the end of the line.

The goods shipped from New York for Philadelphia, are delivered at the railroad company's wharf, at the foot of Walnut-street, Philadelphia, a way bill of the kind before described being

forwarded from New York, and generally arriving at Philadelphia before the goods. On the receipt of the way bill, the first thing done is to make out the freight bills against each consignee, which contain a list of the articles for each consignee, and the amount of freight, &c., to be collected. These bills are then examined by another person, and then entered alphabetically in a book, called a journal by us, the total footings generally corresponding with the amount charged to me on the way bills. Part of these bills are then distributed among the draymen, who go on the wharf with the delivery clerk, select the goods, and deliver them to the consignee, and return the amount of freight charged on the bills, or the bills themselves, to the office. In some cases we keep accounts with consignees, and receive the amounts of their freight monthly. Losses for freight not collected are charged in the expense account, when ascertained. The tonnage of freight so lost is always returned to the state for transit duty, and no deduction made for such loss. The goods received by us, and the consignee unknown, are retained until called for. Besides the journal, before spoken of, we keep what we call a collection book, which contains also the bills given to the draymen, as well as the monthly accounts, being a full record of all the freight received by me.

I likewise keep an expense book, or a book of account current, which contains all the charges attending transportation paid by me, and also a book of general balances, showing the amount uncollected at the end of each month, or when made. From April, 1848, to March, 1849, we kept a book of accounts, called deferred claims, which showed the difference between the amount charged on the way bills and thirty-two cents per hundred pounds. I should think that this difference would amount for that time to about thirty thousand dollars at my office. The abstract of weights is made up monthly from the way bills. There has been no favouritism extended to any person in the transaction of the business, in regard to rates of freight all are treated alike. We do make a difference in the rates of freight per hundred pounds for certain descriptions of goods. Some kinds of goods are carried for less than thirty-two cents per hundred pounds, such as printing cloths, sheetings, brown drills, flour, butter, cheese, iron, and similar articles. There are express crates carried over the railroad for Adams & Co., Livingston & Co., and Kinsley & Co. (formerly Gay, Kinsley & Co.), the weights of which are accounted for entirely in my office at present, both ways; the money is received by Mr. Decker, and is

paid according to a contract with these parties. The crates are actually weighed by me whenever they arrive or depart. After these crates leave my office, they are in the charge of the railroad company until they are delivered to the proper owners in New York; they generally contain light and valuable articles. I do not know the reason that the railroad company made the present arrangement with the companies above named, except it be to increase the business on the railroad and to afford more general accommodation to the public.

Adams & Co. have three crates, and sometimes four, each way, every day, Livingston & Co. and Kinsley have each one crate every day, both ways, and occasionally an extra one. These crates are loaded by the respective parties owning them, and they assume the whole responsibility of the business. These crates will average about three thousand pounds, as usually forwarded. The actual weight is now invariably returned for transit duty; formerly, and previous to the last two years, the weights of the express crates were returned by estimation. This estimate of weight was made by allowing one hundred pounds for every dollar received by the railroad company for carrying the crates.

There is a kind of business done on the railroad, in the winter season, called winter transportation, which is done in the following manner: the goods are received in New York by J. & N. Briggs, agents of the Swiftsure line, and shipped by them on barges, belonging to the New Brunswick company, to South Amboy, and from thence carried by railroad to Camden, and from thence sent by barges or ferry boats to Philadelphia, where I take charge of them, and deliver them to the consignees.

BORDENTOWN, Wednesday, October 24, 1849.

Wm. S. Freeman resumed.—They are delivered to the consignees in the same manner as those transported by the Union line. The freight is collected, and an account thereof kept of the same, entirely separate from the business of the Union line. At the end of the winter transportation season a settlement is made of that transportation, and the net balance, after deducting the expenses of the receipt and delivery of the goods, ascertained; that balance is then paid over to Mr. Gatzmer. This was the method prior to April 1st, 1846. Previous to the year 1846 the goods were received in Philadelphia by Loper & Baird, and forwarded, by the same means of conveyance before stated, to Alfred Decker, New York, and by him delivered to the consignees, and the freight collected

by him, and accounted for to Mr. Gatzmer, as aforesaid. Since 1846, the goods from New York have been received by me in Philadelphia, and delivered by Mr. Decker in New-York, and the goods in New York have been received by J. & N. Briggs, and forwarded to me for delivery in Philadelphia. The goods transported by the winter line are not usually weighed, neither upon the receipt or delivery.

To ascertain the number of tons subject to transit duty, the following method is taken: we return 100 lbs. for transit duty for every twenty-five cents charged for freight; that rate was ascertained in the following manner: first, by actual weighing of one cargo of goods from New York, by which we found the average freight on that cargo was, I think, $27\frac{1}{2}$ cents per 100 lbs.; a cargo for New York was also weighed, the average freight of which was upwards of 26 cents per 100 lbs.: since then every cargo returned has been at the rate of twenty-five cents per 100 lbs. I think it was in the year 1842 or '43 when the two cargoes before mentioned were weighed. My impression is that those cargoes were weighed during the winter previous to the first settlement. I do not think the charges for freight by this line are as high as they were at its commencement, still I think they will average twenty cents per 100 lbs., or more; (last winter the rates of freight were not so high certainly). If they average twenty cents per 100 lbs. the returns to the state for transit duty would be one-fifth too small. The charges for most articles are by the box, bale, or package, some by measure and others by weight, furnished by the shipper. My opinion is, that it would be equally advantageous to the railroad company, and more satisfactory to the state, to weigh every article transported by the winter line. Many of the goods transported by the winter line are of the same kind as transported by the Union line. My opinion is, that if the winter transportation line was discontinued, the amount which would be realized by the railroad company would fully equal the amount received at this time. There is no favouritism shown in this winter line, all persons are permitted to transport by it at the same rates. I believe the establishment of this line was for the purpose of competing with sea lines. I do not think this line had any appreciable effect on the Union line's business; although a cheaper line, it was slower. Valuable goods were freighted at nearly the same price as charged by the Union line, coarse goods much less, light goods much greater. I should think it would be impossible, from the way the business

of transportation is conducted on the railroad, to perpetrate any material frauds, either in the tonnage or receipts, except by collusion between the principal agents. One of them could not commit such frauds without detection; nor do I think that both could do it, even by collusion, without the knowledge of their subordinates.

I never had any doubt but that the estimates for the weight of winter freight were high enough, except with regard to the winter freight of last winter. Mr. Decker and Mr. Fish, at that time, suggested a doubt on the subject, but I still thought it was high enough; and there being a difference of opinion, the accounts were made up as they had formerly been. I have since, on reflection, been inclined to think that the estimated weight was not sufficiently high; I speak with regard to the winter freight of last winter. A ton of dry goods, by real weight, will measure from 75 to 80 feet. The charges of freight by the winter line were generally about the same from its commencement up to last winter; there were slight deductions made in open winters. The prices of freight in the Union line were quite firm from 1843 to 1848, when the charges were reduced. Accidents excepted, we were always able to do all the business that was offered over the railroad without delay, and, with proper arrangements, could do three times as much.

WM. S. FREEMAN.

Sworn and subscribed, the 24th day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Wednesday, October 24, 1849.

Alfred Decker, alleging himself to be conscientiously scrupulous of taking an oath, and being duly affirmed, doth declare and say—Having heard Wm. S. Freeman's testimony read to me, I can say, that the general mode of transacting the transportation business on the railroad, of making up the accounts, and making the monthly settlements, accords with my knowledge of the subject. I have been engaged in the Union transportation line twenty-four years; the last thirteen years of that time I have been agent in New York. Goods are generally weighed by us before being put on board the steamboat for Philadelphia; sometimes the shipper furnishes us with the weights. We collect nearly all the freights that are cash bills the day they are received. We deliver them immediately.

The settlements made by us at the end of the month exhibit a

true statement of the transportation business of the railroad for the month, being made up from the daily way bills, so far as regards the receipts and weight. If our understanding as to what way freight is dutiable is correct, all the transportation across the state on the railroad liable to transit duty is duly returned. The way freight returned for transit duty includes all freight transported between South Amboy, on the one hand, and Philadelphia, Camden, Burlington, Bordentown, and Trenton, on the other. We formerly returned more, that is to say, all freight transported between South Amboy, on one end, and Trenton, Bordentown, or any station below Bordentown, on the other. When freight came from Princeton, or any other point between Trenton and New Brunswick, by way of Bordentown, to New York, I do not think we ever returned it for transit duty. There was never any amount of any consequence of this description of freight, except in the winter of 1846-7, when the rush of grain occurred.

A discussion arose here, at a monthly meeting for settlement, two or three, or four years ago, about the true construction of the transit duty resolution of the legislature of New Jersey, passed in 1842, and the conclusion was, that we should in future return only for the places and points named in the resolution expressly, that is to say, Camden, Burlington, Bordentown, city of Trenton, and the Trenton Delaware bridge. It was supposed that these points on the river were named in the act for the purpose of embracing all goods that might be landed at these points from the river, whether from Philadelphia, Easton, or elsewhere. Our returns have always embraced goods starting on our railroad from these points, whether coming from the river or not, and also all goods destined for these points from South Amboy.

I should think that we had superintended the freight called winter freight for seven or eight winters past. Mr. Freeman is correct in stating the mode we have heretofore adopted in ascertaining the tonnage of the winter freight, namely, allowing 100 lbs. for twenty-five cents of the amount of freight charged thereon. I think our estimates of the weight of this freight were rather too small last winter, and probably the winter before. My reason for thinking so is, we carried a good deal of pig iron and boiler iron at a reduced rate, but I am not positive but it may have been enough; the winter before last, I entered into no calculation of it. The receipts from this winter line, prior to April 1st, 1846, were disposed of as follows: first, the expenses were paid out of them, I mean the

commissions, labour, advertising, wages of captains and crews, charters of the barges, the labour of handling goods at Amboy, conductors' and brakemen's wages, &c., and labour at Camden included. The balance was paid over to the treasurer of the New Brunswick company, A. S. Neilson. In our returns, we made a statement of what was to be paid to the railroad company for this transportation on the railroad. It was my understanding that the railroad company did receive, or were to receive, all the money derived from the winter transportation, after paying expenses above mentioned. The commissions paid in New York were the commissions paid to J. & N. Briggs. Since April 1st, 1846, this winter freight has been transported by the Camden and Amboy Railroad Company on their own account. J. & N. Briggs are employed as agents, in New York, to receive the freight, and I deliver the freight received from Philadelphia. In Philadelphia, W. S. Freeman both receives and delivers it.

As to the expresses established on the railroad, the arrangement with the express lines is, they are furnished with crates by the company, a certain number to each line each day; and they carry in them whatever they choose, except gold and silver, and pay to the railroad company two-thirds of their receipts, as manifested by their way bills. There is a provision that the minimum price they are to pay shall be twelve and a half dollars per crate. The weights are now ascertained by being weighed by Mr. Freeman, so as to return the same for transit duty, and are included in the amount returned for transit duty at the monthly settlement. Previous to this year their weights were estimated at 100 lbs. for every dollar of freight received by the railroad company. I think this method of ascertaining the weight of goods carried by the expresses was a fair method at the commencement of the business; it was then almost exclusively a package business. Since then the character of the business has materially changed; they now carry heavier goods at lower rates than formerly. I think we did not return as much as they carried prior to this year, arising from the fact, that their business and prices changed, and we continued to make our returns in the same way. The present mode of weighing the crates must be correct. All the express lines pay me, and pay every week in advance, the payment being made according to the amount of their way bills for the previous week. I think that Adams & Co. started this business, as long ago as 1841. By the original agreements with these lines, the arrangement could be determined

by ten days' notice from either party. As the number of these express lines increased, they got to carrying heavier goods at cheaper rates, in opposition to one another. When I spoke of their carrying goods nearly as heavy as we carry, I had reference to the last two or three years. Some time, more than a year ago, I made out an average of the rates charged by these lines, and I ascertained that the charges made by Adams & Co. averaged about ninety cents per hundred pounds, and that made by the others somewhat less. This estimate was made by Mr. Freeman actually weighing the crates, and comparing the weights with the amount of money received by the express lines. The practice of actually weighing all the crates, was adopted by reason of the belief that the mode of estimating the weight was uncertain, and there had been no facilities for it previous to that time.

The crates go from New York full, but they do not generally return full; about half as much comes from Philadelphia as goes from New York. For the last two or three years previous to the present year, the number of express crates going over the road per week, full and empty, has been about fifty-four per week; the present number averages about ninety-six per week, I think. I do not know of any mode by which the true amount of tonnage could be ascertained for the time when, as I suppose, our estimate was too small. When Mr. Freeman and me made the estimation by weight of the tonnage carried by the express crates, it was not done with the view of making any alteration in the manner of ascertaining the tonnage. This question was not in our minds at all; the object was to ascertain at about what rates they were taking goods. The competition between them was very strong to get the transportation of goods, and I was under the impression that they were interfering with our regular transportation business. We found that was not so to the extent we supposed. I don't recollect myself of thinking of the subject of transit duties at that time, or of hearing any thing said about it. I believe this estimate was made at my suggestion. The subject of transit duty in connection with the express lines, or the mode of estimating the quantity of their transportation, was never adverted to in conversation with the executive committee, to my knowledge, at any time; we talked it over among ourselves, the transportation agents. The reason for adopting the present method of ascertaining by weighing, was to arrive at greater certainty in getting at the weights, and our attention was incidentally brought to the subject by the charges that had

been made against the companies. I meant, when I said that we had no facilities for weighing, that we had no scale large enough to weigh the crates till about a year since. I estimate the weight of a full crate at about three thousand pounds of such goods as these lines usually carry; that may be a large estimate. From my experience and knowledge of the business, I am satisfied that there neither can be, nor has been, any material omission in the returns of the weight of freight transported on the railroad subject to transit duty, with the exception of the express lines, as above stated, unless the construction given to the resolution of the legislature, before mentioned, be incorrect; and there has not been, nor do I think there can be, any frauds or material mistakes committed in accounting for the receipts from the transportation. The principal agents are checked by subordinate clerks in their own offices and by one another. We have been in the habit of running a train in the summer season, for the purpose of carrying the produce of the state of New Jersey to market; it is called the way freight train. I should think it had run, at intervals, for the last six or eight years; it runs from Camden to South Amboy and New York. It has generally been able to do all the business offered. There have been instances of this line not being able to carry all the freight offered, but those instances are rare. The rule is to take all the freight as it is offered, until the cars are full, without any reservation for any favourite persons or places, to my knowledge.

I believe that peaches have been brought, in some instances prior to the last two years, in the passenger boat, but whether they came by the passenger train or not I cannot say. I believe there have been none brought in that manner within the last two years, as far as my knowledge extends. The freight has always been regularly charged and paid; in whatever way brought, the usual rates were charged. In the season of 1848, the proprietors of some of the orchards had a boat of their own running between South Amboy and New York, and, as they did not land their peaches at our wharf, I do not know the time they arrived. So far as I know, the lines were open to all, and all had equal facilities. For the last two seasons, a rate of charge for marketing, peaches, &c., on the railroad, has been arranged uniform, according to the distances carried.

The peaches alluded to, as having been brought in the passenger boat, were Mr. Buckelew's and Col. Cook's. I have no idea of the quantity so carried, not a very great proportion, however, to the quantity they brought.

No action was taken by the executive committee, in relation to the transportation in the express crates, on the occasion on which Mr. Freeman and I weighed them, as before stated. I believe one object under consideration was the question of charging them a certain sum on each crate, instead of a per centage on their receipts, but nothing more was done about it. The monthly returns of the quantity of goods transported across the railroad have always been made up by the transportation agents, Mr. Freeman and myself, and our clerks. Mr. Stevens, the treasurer of the road, never had any hand, to my knowledge, in making up these returns. I believe he knew nothing about the details. His attention was never called or directed, to my knowledge, to the mode by which we estimated the quantity of goods transported in the express crates. These express freights are incorporated in the way bills, which he never examined, and taken off of them and carried into the abstracts in gross with the other freight. It was certainly the duty of the transportation agents to return the correct quantity of goods transported.

I should think that the rule we adopted for estimating the weight of the crates, began to be defective when an additional express line was started; not so much, of course, at first as at the time when we began to weigh them. The creation of competition naturally had the effect to reduce their prices.

BORDENTOWN, Thursday, October 25, 1849.

Alfred Decker resumed.—The stipulation, that the express companies shall pay us at least twelve and a half dollars per crate, extends to all of them (except to Adams & Co., to whom it has never practically applied,) and to the crates carried both ways, whether full or not, and they have sometimes, in that way, paid us more than they have got for their freight. The exact terms of the arrangement were these: for having the privilege of sending one crate a day, each way, that is twelve crates per week, they were to pay us not less than one hundred and fifty dollars per week. If the two-thirds of their freight lists amounted to more than that amount, of course we received it.

We have always calculated the weights for transit duty according to the amount of money we received, as before explained; and when the minimum price was paid to us on the crates, in consequence of two-thirds of the freight lists being less than that minimum price, the quantity returned has probably been more than the

quantity of goods carried, at least it has probably fully equalled it, and perhaps exceeded it.

ALFRED DECKER.

Sworn and subscribed, the 25th day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Thursday, October 25, 1849.

Benjamin Fish, being duly sworn according to law, deposeth and saith—I have been connected with the Union transportation line since its commencement, in the year 1824; it was established by George Abbe, David Hill, and myself, for the purpose of transporting merchandise between Philadelphia and New York. We were all concerned actively in the business; I was in Trenton, Mr. Abbe in New York, and Mr. Hill in Philadelphia. The modes of conveyance used by us were, at that time, steamboats and sloops between Philadelphia and Trenton in summer, and wagons in the winter; wagons from Trenton to New Brunswick in the summer, and from Trenton to Perth Amboy in the winter, and from New Brunswick to New York in the summer time steamboats, and from Amboy to New York in winter steamboats and schooners, principally schooners. When the rivers were open, we used them of course. We commenced to use the steamboats of the Camden and Amboy Railroad Company as soon as the company became proprietors of the boats which had formerly belonged to the Union line, and continued right on in the same way. The Union line, to which I now refer, was a passenger line, owning steamboats and stages. Our line was called the Union transportation line. We used their steamboats generally, whenever they ran. I cannot speak, from my recollection, as to the time when the railroad company became the proprietors of these steamboats, but I think it was in the year 1832. Our wagons we found ourselves, usually hired them. Shortly after the railroad was opened for carrying passengers through, we commenced to run our transportation on the railroad from South Amboy to the Sandhills by horse power, and from thence to Philadelphia by wagons, in winter. In the summer we continued our cars on to the steamboat at Bordentown. I think we first commenced in January, 1838, to run from South Amboy to the Sandhills; as soon as the ice was gone, and the boats put on to Bordentown, we continued on to meet the boats. I think we continued to run to the Sandhills only in the winter time, for two or three winters, certainly

two, not having the use of the road to Camden; the passengers were run farther on down. Shortly after the road was finished to Camden, we run the goods to Camden on the railroad in winter, but in the summer, when the navigation was open for steamboats to Bordentown, we only used the road between Bordentown and Amboy. In the year 1834 or 1835, I cannot now distinctly recollect which, we gave up the business to the New Brunswick Steamboat and Canal Transportation Company, and transacted the business for them on commission, till the spring of 1836. I presume Mr. Freeman is right in his dates. After that time the New Brunswick company carried on the business themselves, and paid their agents salaries. The first agents appointed under salaries were Mr. Decker, Mr. Freeman, and myself; we acted in that capacity up to April 1st, 1846, when the New Brunswick company gave up the business; and since that time up to the present, we three have acted as the agents of the Camden and Amboy Railroad Company in the same business. When the business was done on commission for the New Brunswick company, in 1835, it was done by Hill, Fish & Abbe. I think Abbe and Fish did the business, as agents for the New Brunswick company, for a very short time on commission prior to the payment of salaries, Mr. Hill having left. The railroad company never did the business until April, 1846.

When Hill, Fish & Abbe first began to transport their goods on the railroad, I think there was no definite arrangement agreed upon. We used our own horses to their cars, and continued our business in the same way we done before. After running in this way some time, we had a settlement with the railroad company, and allowed them what was thought to be right for the use of the road and cars. As to the steamboats, I think it very likely that they were allowed the same that they had been all along, though I cannot now distinctly recollect. When the first settlement was made, as above stated, I think there was an arrangement entered into that we were to pay out of the receipts the current expenses along the road and in the offices, and whatever was necessary to be laid out in conducting the business; and as to the balance, I think we took a commission, and paid the rest to the railroad company; and this arrangement was continued a short time, until the New Brunswick company took charge of the business. I think the New Brunswick company, when they took the business off our hands, commenced paying the railroad company at the rate of so much per ton, and they also paid for the use of the boats; I think for through

freight it was \$4.88 per ton for the railroad, and \$2.76 per ton for the steamboats, making \$7.64 per ton through; for way freight they paid half of those rates. The rates may have slightly differed from this on some particular occasions; if they did, there was some good reason for it at the time.

I have generally attended to matters along the railroad in New Jersey; my original business was to superintend the wagons. The disbursements made by me, while agent of the New Brunswick company, were the expenses for handling the goods along the road and at the termination. The disbursements in New York were made by Mr. Decker, and in Philadelphia by Mr. Freeman. I also paid the brakemen and conductors; I did not pay for repairs done to the cars. The railroad company furnished the cars, locomotives, engineers, and firemen, and the New Brunswick company furnished the rest. I think, for some part of the time, the New Brunswick company furnished some of the hands on board of the steamboats that transported the goods. I don't think we did this for the boats on the Delaware. When the New Brunswick company did this business, the railroad company got their pay, to the best of my knowledge, for the transportation done on the road. In 1841 and 1842 the New Brunswick company paid the railroad company fifteen hundred dollars a month, for some time, for the charter of the steamboats Burlington and Trenton on the Delaware. I do not know why this additional amount was paid. I have some superintendence of the way freight. Collections made along the road for freight are paid to me. It is the duty of Mr. Decker and Mr. Freeman to make out the accounts of the quantity of freight for transit duty; abstracts are made out by them, at their offices, before meeting for the monthly settlements, which abstracts show, for the most part, the amount for each day. Some particular classes of freight are included in the amount for the last day of the month. I bring in my vouchers for disbursements at the time of the settlement.

There is some transportation by the Accommodation line, *via* Trenton and New Brunswick; this has always been in my charge, and has been regularly returned by me, both as to the weight and the amount received therefor. I return it to Mr. Gatzmer monthly, and he adds it to the amount to be returned for transit duty. Freight carried on that line is not generally carried through. Way bills accompany this freight, from the different stations where it is taken up.

I do not think the New Brunswick company ever insured any goods carried by them; Hill, Fish & Abbe sometimes did, while

they were unconnected with the railroad company. The Camden and Amboy Railroad Company never effected insurance on goods transported by them, to my knowledge. It is very probable that the New Brunswick company may have used some of the old blank receipts of Hill, Fish & Abbe, specifying that insurance could be effected.

Hill, Fish & Abbe found the transportation business a profitable one, while they were engaged in it on their own account. Upon giving up the business to the New Brunswick company, we were all three employed as agents by that company for a time. I made no objections to its being taken into the hands of the New Brunswick company. From my knowledge of the business, I believe it continued to be profitable for a time after the New Brunswick company took it. It was considered much more profitable in the early period of the time than in the latter period. I think the reason that the New Brunswick company gave up the business was, that it would hardly pay for the risk required to carry it on. The profits were so small that it would not pay the risk they had to take.

BORDENTOWN, Friday, October 26, 1849.

Benjamin Fish resumed.—If there were any balances retained by the New Brunswick company on the winter freight, they were so retained, according to my impression, for the purpose of meeting small bills for damages, or other expenses outstanding and unsettled. I don't think that the New Brunswick company derived any profit from that business. It is my impression that the understanding was, that the railroad company were to have all the proceeds of that business, after the payment of expenses. These small balances may have been set apart to the New Brunswick company absolutely, to indemnify them against any claims that might come up against them in relation to, or growing out of that business.

The goods transported by that winter line were not generally weighed, I believe. I presume that the charges by this winter line have diminished some in latter years. The method adopted for ascertaining the weights to be returned for transit duty for this line, I should think, would be a true method up to the last return of that transportation. I am not very familiar with the details of the business of this line. I can't say there has been much discussion about the subject of the transit duty, with reference to this kind of freight; we have gone on in the usual way for estimating the tonnage.

BENJ. FISH.

Sworn and subscribed, the 26th day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Friday, October 26, 1849.

Ira Bliss, being duly sworn, deposeth and saith—I am agent of the Camden and Amboy Railroad Company in New York. I have been permanently engaged there since the spring of the year 1833. I have an office there; I take receipts and make disbursements there; I receive the receipts of the company from passengers. I do not receive any of the receipts from transportation. I do not receive any of the receipts on the upper route connected with the New Jersey Railroad Company. I wish to explain the last answer, by saying, that for the last two or three years there has been an arrangement with Adams & Co. to carry for them an express chest by this upper route, and I receive what is due to the railroad company for that. I have nothing to do with the morning Accommodation line.

For the last few years, since May 1st, 1846, the receipts of the steam towing have come into my hands, and the account for the steam towing is kept in my office, for both ends of the line. The returns for the towing on the Delaware are made to me by Mr. Gatzmer, both the accounts, and the moneys, and the disbursements, with the vouchers also. The transportation boat, the Transport, takes a few passengers; I receive the moneys derived therefrom. These are the principal sources of the receipts coming into my hands. There are some incidental small matters not coming under these heads, as for example, rents and sales of some small matters that are disposed of, nothing of much moment. The rents I refer to are for our wharf property in New York, which we don't occupy or use ourselves. There is a small amount of steamboat freight between New York and Amboy, which I receive. The charter of a steamboat, or some other incidental source of revenue, may sometimes bring into my hands moneys to a larger extent. Whatever has been so received by me on behalf of the railroad will appear on the abstracts which I return monthly to the agent at Bordentown. I make the disbursements for the running of the boats, both passenger and transportation boats, and the boats engaged on the New York end in steam towing; also for articles purchased in New York for the use of the road and the shops at Bordentown and South Amboy, and, generally, whatever purchases

are made in New York on account of the road. I do not pay any of the engineers, firemen, or other employees on the cars or along the road; all the receipts that come into my hands appear on the abstracts which I return at Bordentown monthly; all the disbursements made by me appear on the same abstracts. I settle my accounts by making my returns monthly, and by depositing in bank, to the credit of the treasurer, the balance in my hands, retaining sufficient to pay the current disbursements. There are no receipts belonging to the New York end, from the permanent sources I have mentioned, that do not come into my hands. I make the disbursements for bills on the roads and at the shops, by orders sanctioned by Mr. Stevens, the superintendent. The disbursements which I make for the current expenses for the boats and for my own office, I make by the general authority I possess as agent. All the disbursements made by me, and returned in my monthly abstracts, are made for the use and benefit of the railroad company, so far as my knowledge extends. The arrangements adopted for getting in the returns of the various receipts belonging to the railroad company, from the conductors, captains, and other subordinate officers, are, as near as possible I believe, such as to preclude the perpetration of frauds on the railroad company. All the receipts of the railroad, which do not come into Mr. Gatzmer's hands, come into mine, to the best of my knowledge and belief. All the passengers transported across the railroad, that do not appear in Mr. Gatzmer's accounts, appear in mine. The number of way passengers has not until lately been specified, unless liable to transit duty; I do not speak of the passengers by the branch road and the Philadelphia and Trenton railroad, which come through Mr. Morrell. The number of all passengers transported across the road liable to transit duty have been specified by me, in my monthly abstracts, so far as I know, and as I believe. I have always returned for transit duty all passengers from Amboy to Bordentown, or any other place on the river below that, down to Camden.

The books that I have sent here, and that are now here before the commissioners, are the account books of my office, and they are correct, to the best of my knowledge and belief, and show a true account of all my transactions, as agent of the Camden and Amboy Railroad Company, so far as any money is concerned. I do not keep two sets of books; it is as much as I can do to keep one. There may be some clerical errors, but they are of very small amounts and unintentional. The company have had in my office,

for about two years past, a clerk of accounts, examining my books, vouchers, and papers, with a view to ascertain their correctness; he has examined them all for several years, I believe from 1834 to the year 1848, inclusive, and has found a few clerical errors, as he informs me. The name of this clerk is Mr. Hoyt Sanford. The steamboat New Philadelphia has been chartered by the New Brunswick company. I do not recollect when she was chartered, nor exactly what were the terms. I had a memorandum in my office of the time she was used by the New Brunswick company; and her charter was settled up previous to 1848. By reference to my book, here present, I see that she was chartered, in the year 1847, for four months and seven days, at \$1000 per month. This has been settled. She was also chartered after the burning of the Raritan, in the spring of 1848. They chartered another boat, the St. Nicholas, after the burning of the Raritan, until the New Philadelphia was fitted up, which was a little more than a month, if my memory serves me. The New Philadelphia then continued to run till they got the new boat, John Neilson, ready, except during the winter, when she was laid up. This charter has not yet been settled, and I do not know of any specific terms on which she was chartered. I do not know any particular reason why it has not been settled. I should consider the former charter a large amount for such a boat at the present time. I think she might have run altogether from ten to twelve months, under her second charter. The Camden and Amboy Railroad Company paid the expenses required to put her in order when she was chartered, but did not pay for any repairs while the New Brunswick company used her, as far as my memory serves me. I think the New Brunswick company did all her running repairs while they had her. I think the cost of repairs we made on her in the year 1848, before she was chartered to the New Brunswick company, amounted to over \$7000; I see that is what is charged on the books; some part of it may be for bills previously incurred. She was not in as good repair when given up by the New Brunswick company as when they took her; the natural wear and tear would affect her more or less. No very expensive repairs have been made upon her since. We laid out more expense at that time than we should otherwise have done, to fit her for that particular purpose. I should consider, under the circumstances, considering the length of time she was chartered, a considerably less price than her former charter a fair charge. This thing is yet an unsettled account, and is expected to be settled.

The steamers Independence and Thistle have belonged to the

Camden and Amboy Railroad Company ever since I have known any thing about them; which company has always received their earnings, with the exception of a small unsettled account for work done by them for the New Brunswick company last year. The Independence had been previously chartered by the New Brunswick company for short periods, which accounts have all been settled and paid, and, as I considered, at fair prices. As far as I know, the Camden and Amboy company have always received the earnings of their boats. There are no other unsettled accounts of the railroad company against the New Brunswick company, to my knowledge. The amount received from Adams & Co. is at the rate of \$4000 per year for one chest, with the privilege of sending a messenger (I think), and there is another chest, for which I receive at the rate of \$1200 per year; this latter has not been of long standing. Both of these chests go, I think, by the upper route. What arrangement the New Jersey company make with them, I don't know; this compensation is for carrying from New Brunswick to Philadelphia. There was a written contract with them at first, but I believe it has long ago expired, and not been renewed in writing, to my knowledge.

The moneys due on Livingston & Co's contract for their express chest, are also paid over to me by Mr. Gatzmer, namely, \$80 per month. I have never made any return for transit duty for those trunks. I have not returned the messenger for transit duty. I don't know that it is the duty of any person to get the weight of the express chests or not. No separate passage money was paid for the messenger. Adams & Co's first express chest began to be run, I think, in October, 1846; and the second chest began to be run in April, 1849. Livingston & Co. began to run an express chest April 1st, 1847. I think there was no messenger accompanying Livingston & Co's express chest, and only one messenger accompanying Adams & Co's two chests.

If the messenger accompanying Adams & Co's express chest should be deemed a passenger liable to transit duty, it would come within the province of the agent of the Philadelphia and Trenton Railroad Company to return him for that purpose, I should think. I don't know whether the express chests have been returned or not. Mr. Fish may have returned them, or Mr. Shippen, from my abstract.

IRA BLISS.

Sworn and subscribed, the 26th day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Friday, October 26, 1849.

William Cook, at his request, being duly sworn, deposeth and saith—In 1846 and 1847, during the season of peach marketing, a number of trains were required, in addition to the ordinary transportation trains, which temporarily suspended the operations for repairs for the road, and multiplied the duties of the way transportation agents to such an extent that the trains got into confusion. In consequence, the superintendent of the road, Mr. Stevens, requested me to superintend the peach trains, which I did. The transportation was so much increased that extra steamboats had occasionally to be employed. I had, during those seasons, an interest with Mr. Stevens and Mr. Buckelew in a peach orchard at Gravel-hill, and it occurred to me that if we could have a car load of peaches ready to be hitched on the early passenger train in the morning, it would cause no delay to the train, would relieve the other trains and transportation boats, and might, at the same time, facilitate the forwarding of the peaches to market. I applied to Mr. Stevens on the subject, and asked him if I could not have a car with crates upon it, have them loaded when the cars came along, and attach the car to the train. As an inducement, I told him the trains were very heavy in the peach lines, and the boats overloaded, and that this would relieve them. He, upon my application, stated he could see no objection to it, as it would detain the train but a minute, and therefore granted my request. No other persons ever, to my knowledge, applied to have a car taken up by the passenger train in this way; had there been any such application, I would probably have heard of it, as I had the management of the peach business. Had any such application been made, it would have been granted, until the accession of extra cars had begun to impede the passenger train, in which case it would have been discontinued altogether; by our having a car loaded and ready to hitch on, no detention of the train, of any consequence, was caused thereby, and the passenger boat could carry the crates without any inconvenience, and it helped to relieve the transportation boats. The extent of this business was trifling, it would not average one hundred baskets per day. The passenger boat would have been able to carry all that the passenger train would have been able to take. I never heard, during that time, of any application to carry peaches by the passenger line in any other manner. The passenger line that I refer to, was the six o'clock through line from Philadelphia to New York. There were two or three regu-

lar peach lines running from Bordentown to South Amboy, and one from Hightstown, in the height of the season. The peaches below Bordentown were picked up by the transportation line from Camden, and carried on in that line to Amboy. Occasionally the regular peach lines sent a car down to Kinkora, about two and a half miles below Bordentown, and to Durell's lane, four miles below Bordentown, before the hour of starting, to be loaded with peaches, when requested so to do. The peaches loaded at these places were the property of John L. McKnight and others, Wm. Durell, and John Hitchens. The peaches of any persons that applied were loaded at these places, so far as I know. Mr. McKnight had a large quantity there, sometimes loaded a car or two; we should not have sent a car down for a small quantity. The peach trains all started from Bordentown in the afternoon, and arrived at New York during the night or next morning.

The peaches sent by us by the passenger train were generally picked in the morning. Peaches picked the afternoon before, and going by the regular peach trains, would get into New York in the morning, five or six hours before the peaches we sent by the passenger train the same morning. The peach trains took all the peaches offered, without distinction of persons, and I believe that there never was an instance of any peaches being intentionally left behind. There was never any distinction made in the same lines, as to the charges for freight from the same points in favour of any individuals; the charges were uniform to all. All the lines from Bordentown carried peaches at the lowest rates. The regular transportation line that came on from Camden, being the last line, charged about one cent a basket higher for freight than the regular peach trains on peaches taken in at Bordentown, and from thence to Amboy. The reason of this difference was to induce people to bring in their peaches early, so that we might get all the peaches through to New York by daylight, if possible. I do not know that there was any other train that carried peaches at a higher rate. For the peaches carried in the passenger trains, we paid the same rate as was charged in the other trains. The rates of freight for peaches on the peach lines, as well as on the transportation line, have been uniform, and in proportion to the distance carried, for the two past seasons.

The orchard to which I referred at Gravel-hill, is the same orchard sometimes called the company orchard. The Camden and Amboy Railroad Company own no peach orchard. The station at

Gravel-hill is resorted to by other peach growers beside myself and associates. It would have been equally convenient to have hitched on a car loaded by other persons, as to do it with regard to ours. It is not the duty of the owners of peaches to load the cars, but they usually assist. I know of no reasons, either on the part of the railroad company, or on the part of the owners of peaches, why they should not have sent in the same way as we did, other than that no applications of the kind were made.

WM. COOK.

Sworn and subscribed, the 26th day of October, 1849, before the commissioners.

AARÓN ROBERTSON, *Ch'n.*

BORDENTOWN, Saturday, October 27, 1849.

Hoyt Sanford, being duly sworn, deposeth and saith—I am clerk of accounts at present in Mr. Bliss' office, in New York. I have been there three years last month. My duties have been to examine into the details of all the accounts and papers of the office, over the whole period of time the office has been kept. I went there by instructions from Robert L. Stevens, president of the railroad company; the object was to ascertain the accuracy of the accounts and books in the office. I have also reviewed the current accounts, as they have accrued. I examine the original papers on which the entries of the books, both for receipts and disbursements, are founded. I also examined the books themselves, to see that all the sums and amounts are properly extended and added up, and the balances properly cast. I also examined the original papers themselves, to see that all the items are properly extended and footed up. I have found the accounts to be generally very correct, that is their general character. I have found small errors, here and there, in all the years. I have found clerical errors, both in the original papers and in the books, but principally the errors occurred in carrying the amounts from the original papers to the books. The original papers which I examined were for the receipts, the daily way bills, those were the principal; and for the disbursements, the various bills of expense, pay rolls for men employed, bills for purchase of materials and repairs, indeed all bills of indebtedness of the company, as receipted by the persons to whom the money was paid. The largest error I found, at any one time, was in a bill for coal, purchased of Lang & Randolph, twenty-five chaldrons, at \$11 per chaldron, the correct amount of which was \$275. No ciphers

being appended for dollars in the bill, as extended in figures, it was carried into the books as two dollars and seventy-five cents, so that the agent, Mr. Bliss, was credited with \$272.25 less than he should have been; but generally the errors were small. I have kept a debtor and credit account of the errors I have found, the result of which is, for the years 1835 to 1847, inclusive, which years I have examined complete, \$447.85 overcharged in the books, and the under credits amount to \$662.82, leaving a balance due the agent of \$214.97. The highest amount I found in any one year was \$359.12; this was the year in which the mistake was made in the coal bill above mentioned. All these mistakes remained undiscovered until I examined the books, as I believe, and all appear to have been accidentally made. I have been engaged for several weeks past in correcting the books, showing the estimates of tonnage carried through the canal by the Merchants and Swiftsure lines, from 1840 to 1848, inclusive, in connection with Samuel Thompson and J. G. Sweet. The entries therein and calculations, so far as made and examined by me, are correct, to the best of my knowledge and belief. My examination of the books in the office of Mr. Bliss, in New York, has extended to every entry in the books, as far as I have gone. From my knowledge of the business of the companies, I believe that all the business that belonged to that office has gone into the books examined by me. I have been familiar with the business of the companies, more or less, for many years past.

HOYT SANFORD.

Sworn and subscribed, the 27th day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Tuesday, October 30, 1849.

J. Gilbert Sweet, being recalled, further, on his oath, says—Since my last examination, Samuel Thompson and myself have gone over the estimations and calculations of the business of the Merchants and Swiftsure lines, from 1840 to 1848, both inclusive, for the purpose of producing greater uniformity than had been observed in the selection of manifests for examination; and we have been very particular in selecting them in accordance with certain fixed dates in each month, namely, the manifests occurring on or nearest after the 1st, 7th, 13th, 19th, and 25th days of each month, respectively, in each line, each way, making twenty manifests examined for each

month. Whenever business was done equally through the month, it occurring sometimes that there would be no manifests until the 8th or 10th of the month, our estimates do not produce a result materially different from those which had previously been made. By taking the estimates of each year by themselves, and thereby calculating the tonnage of each year by itself, we obtain a general result of 389,955 tons carried during the nine years aforesaid; from which, if we deduct the amount returned during those nine years by the collector, namely, 370,518 tons, there will remain a balance of 19,437 tons deficiency. If we also take into consideration the fact, that a good deal of inferior merchandise, lime, clay, brick, manure, &c., has been carried during that time, which has gone into the general estimate of superior merchandise, and which will without doubt exceed the amount of 20,000 tons, the amount of superior merchandise would seem to have been all returned, so far as it relates to the aggregate number of tons for the whole nine years, notwithstanding the number of barges which have been omitted by the collector, in making his returns to the treasurer of the canal company. If we take these omitted barges by themselves, and ascertain their separate tonnage, we find that it amounts, after deducting the collector's supplementary return of March, 1847, to 76,265 tons, to which is to be added 3623 tons of iron, and 1532 tons of coal, not embraced in the regular manifests, but sent by special arrangement, we have a deficiency of 79,888 tons of superior merchandise, and 1532 tons of inferior, amounting, at eight cents per ton for the former, and two cents per ton for the latter, to \$6421.68. The difference between the deficiency, as shown by taking an estimate of the whole business from what it appears by taking an estimate of the omitted barges, shows that for the barges returned by the collector, his estimate has exceeded the real amount to a considerable extent; and, from an examination of a great many particular cargoes, I can say with confidence, that although there are instances in which the collector's estimates are too low; yet in the main they are considerably too high; and in many cases they are so in a very marked degree, amounting, in some cases, to nearly double the amount carried, and in many cases from ten to twenty per cent. The collector could not make an accurate estimate of the cargo of a boat from the toll lists sent to him; the reason is, that the toll lists do not go into a detail of the articles.

I believe the books of estimates and calculations, now submitted to the commissioners, to be correct, except here and there a figure,

perhaps, not varying the general result a ton. They show the whole number of barges and other vessels that actually carried merchandise for the Merchants and Swiftsure lines for the nine years in question; showing also the barges that were returned by the collector, and those not returned, the amount of through freight of each barge, the amount of tons returned by the collector, and the estimates made by us. Some several barges carried coal and iron, that are not named in the books, but the amount is put down on the general statements.

In reference to what I stated, on my former examination, in regard to making out the toll lists, I will now say more particularly, that it has only been for the present year that we have made a careful estimate of the weight of the different cargoes, and stated the gross amount of the tons on the toll list. In the latter part of the year 1848, we put the amount of tonnage on the toll lists; but the mode of ascertaining it was not by a detailed estimate of the articles on board, but by the opinions of the captain, as to how much he had aboard, or a general idea that I had myself.

As to the amount of iron and coal not contained on the regular manifests, I derived my information from Samuel Thompson. The reason why we have revised the books of estimates since my former examination, is because we observed that the selection of the manifests had not been uniformly made in accordance with the rule adopted. The present estimates and statements show the result of each year by itself. The estimates made by me lately, were sometimes above those made by the collector; in a few instances they were as high as ten or twenty per cent.

Discrepancies between my present testimony and that of other witnesses, as to the results of the examination, may be explained by the more particular manner in which the present books have been made out, not that any more care was exercised, or any different principles adopted, but that a different selection of manifests was made to correspond more exactly to the particular dates.

BORDENTOWN, October 31, 1849.

J. G. Sweet resumed.—On my examination in September, in reference to the dates of the manifests selected for estimation, it was found that those taken by us did not correspond in every instance, as inserted in the statement book, which we made up to the dates which we were ordered to select. My testimony was then closed for the time, and I was ordered to prepare new books, which has

been done, as before stated, and are now presented. These books show, as the former ones did, the barges sent by the Merchants and Swiftsure lines, the amount of their freights, the collector's returns of tonnage for each barge, and the estimates made by us. When I stated, in my first examination, that in estimating the tonnage of general merchandise by the amount of freight whose weight was not known by other means, we made the estimates according to our own recollection of the current rates of the year, I do not mean that we depended entirely on our own recollection. We had before us memoranda of those rates.

J. GILBERT SWEET.

Sworn and subscribed, the 31st day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Wednesday, October 31, 1849.

Samuel Thompson recalled, and testified as follows.—I have assisted Mr. Sweet in making the new books of estimates. They differ from the former ones in the selection of some of the manifests for examination. A different selection of some of the manifests was made, in order to adhere rigidly to the arbitrary rule originally laid down, of taking the manifests that occurred on the 1st, 7th, 13th, and 25th days of each month, or the nearest manifests after those days, respectively. This was done for each line each way, making twenty manifests examined for each month, and constituting probably one-third of the whole. The object of doing this was to get at the average rate between the freight and the tonnage. Mr. Sweet made the new estimates that were required to be made to reconstruct the statement contained in the books. I assisted in making up the calculations and statements which accompany the books; they are correct, to the best of my knowledge and belief. The calculations are made year by year, both of the aggregate tonnage and the tonnage of the barges omitted. According to the estimates which we thus made, we found the tonnage of the omitted barges, after deducting the supplemental returns of March, 1847, to amount to 79,888 tons of superior merchandise and 1532 tons of inferior merchandise, the latter being coal; but in the amount put down as superior merchandise, there is probably a considerable of inferior, mixed in the manifests with superior merchandise. The results of the books of estimate, as thus reformed, differ

slightly from those first made, but the general result is much the same. I believe that the amount above stated is a very accurate estimate of the amount of through merchandise transported in the barges of the Merchants and Swiftsure lines, which the collector, during the nine years aforesaid, from 1840 to 1848, both inclusive, omitted to enter in his books, and to return to the treasurer of the canal company. By through merchandise, I mean the merchandise transported from one end of the canal to the other. On thinking over, since my former examination, the amount of inferior merchandise carried in the merchants and Swiftsure barges, I have become satisfied that the estimate I then formed of it was small, and within the truth. From the examinations I have made, and the calculations that have been made on those examinations, I am inclined to think that the number of tons of superior merchandise returned by the collector, during those nine years, have equalled, or nearly equalled, the actual amount of superior merchandise transported by the Merchants and Swiftsure lines in those years. I believe that the method we now pursue to ascertain the amount of tonnage sent in each barge, is a very accurate one, and that the toll lists which we send to the collector may be relied on by him, as showing the true amount. It is true the collector has to take our estimate for granted, unless he chooses to examine the cargoes himself. I now speak of our own lines. Whether the method would be a safe one for the collector in the case of other lines, is perhaps doubtful. They might not observe the same accuracy that we do. The toll lists themselves, as at present made out, do not contain a sufficiently detailed description of the cargo to enable the collector to test the accuracy of the estimate of the tonnage of the cargo, which is set down in gross on the toll list. We have not changed our system of making up our manifests, as it respects carrying out the weights of articles; we only carry out the weights in a few instances where the shipper gives them to us, or when we weigh them for the purpose of charging by weight. We have a platform scale at the wharf in Philadelphia; we have had it four or five years.

There has been no alterations made in any of the collector's books this last summer or fall, or at any other time, to my knowledge; they stand as they did before. The estimates and examinations were made by getting together the original manifests from the transportation offices in Philadelphia and New York, and comparing them with the collector's books; and from that examination the

statements were made up which are produced before the commissioners. These statements have been entered in bound books, rather than in loose papers, for the use of the commissioners, as a matter of convenience.

The commissions of myself and others, as agents, depend upon the amount of freight charged, and are made up from those freights, as they appear on the books, and it is therefore our interest that all the freight should appear on the books.

Manifests furnished to the custom house do not always contain a very detailed description of the cargo. They are something of the form of the toll lists which I have described, and, in addition to that, they do not always contain the whole amount of any particular article contained in the cargo, even when they specify that kind of article, inasmuch as the clearance at the custom house has to be made before two P. M., and the boat may continue loading till night, and receive more of the same article on board; for example, our custom house manifest might contain 500 bags of coffee, and the cargo might contain 800 bags, 300 being taken in after the clearance was taken out. Frequent instances of this kind have undoubtedly occurred; but in all these cases the whole amount would be exhibited by the manifest of the boat, and taken into account in the toll list furnished to the collector of the canal.

SAMUEL THOMPSON.

Sworn and subscribed, the 31st day of October, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Thursday, November 1, 1849.

James Morrell, being duly sworn, deposeth and saith—I am secretary of the Philadelphia and Trenton Railroad Company; I have been such since 1833 or 1834. I keep the books of the company. I settle with the treasurer of the New Jersey Railroad and Transportation Company, monthly, for the business (passenger) conducted on the upper route, by Trenton and New Brunswick, in which the Philadelphia and Trenton Railroad Company, the Camden and Amboy Railroad Company, and the New Jersey Railroad Company are jointly concerned. That business is conducted, on the part of the Philadelphia and Trenton Railroad Company and the Camden and Amboy Railroad Company, through my office. There are two lines a day each way, Sundays included, starting, at present, at nine o'clock in the morning, and four and a half o'clock in the afternoon,

from both cities. Sunday morning it starts at seven o'clock from Philadelphia; this is by a recent arrangement. The tickets for these lines, for the Philadelphia end, are issued daily from my office. The usual route is, by steamboat between Philadelphia and Tacony, by the Philadelphia and Trenton railroad between Tacony and Trenton, by the Camden and Amboy branch road between Trenton and New Brunswick, and by the New Jersey road between New Brunswick and Jersey City. The tickets for passengers leaving Philadelphia are usually sold on board of the steamboat before reaching Tacony, by the captain and clerks. Tickets are issued to them for the purpose in the morning. If passengers get in by the way, the conductor sells them tickets, being furnished with an assortment for that purpose. The routine of the return train, so far as I understand it, is much the same. Tickets given to passengers destined beyond New Brunswick, are taken up by the conductors of the New Jersey railroad. A way bill is made out in duplicate on the boat, as the tickets are sold, showing the name of the passenger and the amount of the fare. One of these way bills is returned to my office, and the other is sent on with the train. The passengers getting into the train by the way, going beyond Trenton, are entered on the way bill by the conductor. When the conductor returns with the next train, he makes up a separate way bill for passengers between New Brunswick and Philadelphia. He returns this way bill, and the money it calls for, with the through way bill coming from New York. Our conductor only goes as far as New Brunswick. The trains are carried by our locomotives as far as New Brunswick. The boat which leaves Philadelphia at nine o'clock returns with the passengers brought by the nine o'clock train from New York, and the same with the afternoon trains. When the boat returns, the other duplicate of the way bill sent on to New York is returned to my office, with the money it calls for, and we at the same time receive the way bill coming from New York with the train that started at the same time from that city. At the end of the month we settle with the New Jersey Railroad Company, and divide the money according to the contract, receiving the shares of the Philadelphia and Trenton railroad and the Camden and Amboy railroad. I then settle with the agent of the Camden and Amboy railroad, and pay him their share of the amount, according to the contract. At these monthly settlements, a statement is made on paper showing the results of the month's business and the division of moneys between the companies. I

give this statement to the agent of the Camden and Amboy Railroad Company, after copying it in a book for the use of the Philadelphia and Trenton Railroad Company. These monthly statements exhibit a true account of the business of those lines, to the best of my knowledge and belief. They contain a correct division of the moneys between the companies concerned, according to their contracts, to the best of my knowledge and belief, and the correct amount is regularly paid over to the Camden and Amboy Railroad Company, generally immediately after the settlements are made.

Passengers transported in these lines on the Philadelphia and Trenton railroad alone, or on the New Jersey railroad alone, are not brought into these accounts or statements, and the proceeds of passengers transported on the Camden and Amboy branch road alone, between Trenton and New Brunswick, are all paid over to the Camden and Amboy Railroad Company. The proceeds of way passengers transported on any two, or all three of the roads, are divided according to the distance transported by each company, respectively. The through fare has been four dollars until lately; of this amount the New Jersey railroad received one dollar, the other two companies received three dollars, which was divided according to the distances carried. These are passenger lines altogether, carry no freight. I am required to return to the treasurer of the Camden and Amboy Railroad Company the number of passengers transported across the branch road between Trenton and New Brunswick in these lines, in order, I presume, to enable him to return them to the state for transit duty. I make these returns quarterly; I make them on my affidavit; I was desired to do so by the treasurer of the Camden and Amboy Railroad Company. I derive the number from the daily way bills, and my returns are correctly made, to the best of my knowledge and belief. The returns now on the table of the commissioners are the returns referred to; they have been made ever since the connection between the said roads, in reference to these lines, has existed.

We pay the Camden and Amboy Railroad Company ten thousand dollars per month for the use of their steamboats, locomotives, cars, and machinery. We formerly, when we ran up to Bristol with the boat, sometimes paid them more, when there was heavy travel; in one instance as high as eighteen thousand dollars per month. Since we have run from Tacony we have always paid ten thousand dollars per month. When the trains ran the eastern side of the river from

Camden, we paid them three cents per mile per passenger, at one time; and afterwards, from the 1st of July, 1843, till we ceased to run on that side, we paid them different stipulated fares for different places; which correspond, as nearly as we could get at it, to their fares for the same places. While we were paying three cents per mile per passenger to the Camden and Amboy Railroad Company, we lost money on the way passengers, because we paid more for their transportation than we got from the passengers. The occasion of our running the lines on this side of the river was our building bridges, and making other repairs on our road. As we had to keep up our part of the line, we were obliged to pay the Camden and Amboy Railroad Company for the use of their road for the time being. The repairs done to our own road are paid by us. The engineer of the Camden and Amboy railroad is the engineer of our road also, and generally certifies the bills. The pay rolls are usually certified by the superintendents of the gangs. Capt. Shippen sometimes pays bills to the men, and returns them to Mr. Gatzmer, who receives the amount of them from me. The annual expenses of our company, independent of what it pays to the Camden and Amboy Railroad Company, are not very heavy. From my knowledge of the business of the our company, I should say that, in my judgment, it is very economically conducted. The Camden and Amboy Railroad Company are regularly informed of the correct amount of net profits made by our company.

There is an express chest carried over our road for Adams & Co. The Philadelphia and Trenton Railroad Company has never received any part of the compensation for carrying it. I believe a messenger goes with the chest; I do not know whether he is returned for transit duty or not; if he pays he is put down as a pay passenger, and is regularly returned; if he has a free ticket, no notice is taken of him; and I don't know how the fact is. The free passengers of the Camden and Amboy Railroad Company are generally free on our road. The proceeds of the way line between Trenton and Philadelphia, over our road, is all received by us. The compensation to the Camden and Amboy company, for the use of their road between the Delaware bridge and the depot at Trenton, by this line, as well as in the other lines, is included in the ten thousand dollars per month before spoken of. The use of the steamboat for this line between Tacony and Philadelphia, is included in the same ten thousand dollars per month. We pay the Trenton Delaware Bridge Company separately for all the passen-

gers that we pass over it in our cars. The Philadelphia and Trenton Railroad Company purchased 900 shares of the capital stock of the Trenton Delaware Bridge Company from the Camden and Amboy Railroad Company. We paid them for it. The Philadelphia and Trenton Railroad Company laid the track over the Trenton Delaware bridge, as I understand it. The United States mail is carried over our road every day, twice one way, and once the other. One mail is carried entirely over the Camden and Amboy Railroad Company's road from Camden to New Brunswick. One-fourth of the contract therefor is paid to the Camden and Amboy Railroad Company first, the other three-fourths are divided between the two companies, according to the distance carried by each. The contract is in the name of the Philadelphia and Trenton Railroad Company, and the money is received from the government by that company; and after being received, is divided as before stated, and the Camden and Amboy company's share paid over to them quarterly. The contract is to carry the mail between New Brunswick and Philadelphia four times a day, for \$4,300 per quarter, or \$17,200 per annum, payable quarterly. The government have the privilege of sending a mail agent free with the mail bags, who goes in the mail car. I think we are also required to carry the postmaster general and special mail agents free, when on business of the department. The mail agent has a car or department to himself. I make no return of either passenger or freight for transit duty for the United States mail. I do not reckon the mail or the express chest as freight.

Excursion passengers I have always doubled before returning them, until the 31st March, 1848, inclusive, when Mr. Stevens, the treasurer of the Camden and Amboy Railroad Company, wrote me to return them separate by themselves, prior to which time they had been returned mixed with the other passengers. When I afterwards returned them separately, as I did in a column by themselves, I returned them singly, leaving it for Capt. Shippen to double them. We sometimes sell excursion tickets from Philadelphia to New Brunswick, Rahway, Elizabethtown, and Newark, and back, and we include them in the general column of excursions singly. Formerly they were put down with the regular passengers, but doubled.

The stock held by the Delaware and Raritan Canal and Camden and Amboy Railroad Companies, in the Philadelphia and Trenton Railroad Company, is represented by the persons in whose names it is held, who are the presidents of the Camden and Amboy Rail-

road Company and the Delaware and Raritan Canal Company, respectively. The stock so held by them is held by them in trust, as I understand it, for the joint companies. The stock stands in their joint names. The dividends are paid to the order of the treasurer of the Camden and Amboy Railroad Company. The dividends for the last few years have been eight per cent. per annum, which have all been paid over semi-annually, as they have been declared. We draw an order in favour of each of our stockholders, separately, on the Camden and Amboy Railroad Company, for the difference between our dividends and theirs, so as to equalize the dividends of the stock of both companies. This difference has been two per cent. every six months for some time past.

The Philadelphia and Trenton Railroad Company have never made any loans, except temporarily, during the construction of the road, which were paid shortly afterwards; neither does the company owe any debts, except some unpaid current bills. They own a considerable valuable real estate in the city of Philadelphia and other places, which they paid for out of their capital. The capital of the company is \$999,200, divided into 9992 shares, at one hundred dollars each, which are all paid in full. The stock had all been paid up when the Camden and Amboy Railroad Company became the owners of the stock they now hold.

J. MORRELL.

Sworn and subscribed, the 1st day of November, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Thursday, November 1, 1849.

Capt. Richard Shippen, being duly sworn, deposeth and saith—I make up the general abstract book, which is before the commissioners. I am connected with the Camden and Amboy Railroad Company, and have been since the year 1831. During the construction of the road, I was paymaster, and kept the construction accounts between Gravel-hill and Camden. Gravel-hill is about half way between Hightstown and West's turnout. Capt. Thomas A. Conover acted in the same capacity between Gravel-hill and South Amboy. Capt. Conover is now a post captain in the United States navy, and is at this time in the Mediterranean. His portion of the road was about 17 miles, and mine was about 44 miles. After the road was finished, I commenced as superintendent of the travelling department, and have been engaged in that capacity ever

since, in addition to which I was continued as paymaster of the current expenses accruing along the road; and I have also acted as the agent of the treasurer of the railroad company, in receiving the monthly railroad accounts and statements from the receiving agents in New York and Philadelphia, and entering them in the general abstract book, mentioned in the beginning of the present examination. I also act as the treasurer's clerk, in making up his accounts and keeping his book.

I also act as paymaster at the shops on the route of the road, and have acted in that capacity at the shops at Bordentown, since they were established, in the latter part of 1831. It has always been part of my duty to make up the quarterly returns, to be made by the treasurer of the railroad company to the state treasurer for transit duty.

The general abstract book, to which I have alluded, contains the entire contents of the monthly abstracts or statements, rendered to me by the agents in New York and Philadelphia, before spoken of. The current receipts and disbursements of the railroad company all pass through the hands of the two agents of the company at New York and Philadelphia, except the disbursements made for the transportation account, which pass through the hands of the transportation agents. The result, however, of all the current receipts and expenditures of the company comes into the accounts of the two principal railroad agents in New York and Philadelphia, who are at present Mr. Bliss and Mr. Gatzmer. Mr. Bliss has been the agent in New York from the commencement. In Philadelphia, Wm. J. Watson preceded Mr. Gatzmer as agent. The general abstract book is intended to present the whole current business operations of the railroad, both as to receipts and expenditures, and does so, to the best of my knowledge and belief. It is also intended to present the number of passengers and the number of tons of merchandise transported across the railroad liable to transit duty. It also exhibits the amount of way merchandise transported not liable to transit duty.

To the best of my knowledge and belief, all the passengers and all the merchandise transported over the road liable to transit duty, up to the first day of July last, have been returned to the state treasurer for transit duty. The return for the quarter ending the first day of October, last past, has been made up, but not yet returned to the state treasurer. I mean that the regular and supplementary returns embrace the whole. The intention always was to

return at the end of each quarter, all that belonged to that quarter. Errors and omissions have been corrected, and embraced in subsequent returns. Those errors and omissions have in no case been intentional, but altogether accidental, on my part.

I wish to be understood that they have always originated from unintentional inaccuracy on my part, and that no one else is responsible for them. Mr. Edwin A. Stevens, the treasurer of the railroad company, was always particular to ask me, before the quarterly returns were sworn to, if I was positive as to their accuracy, and he always required great care to be taken in that respect. The disbursements made by me, on account of the railroad, are fairly made, to the use and for the benefit of the railroad company, and for no other purposes. I receive my funds of the company, from Mr. Gatzmer, with which I make my disbursements. I return him my vouchers on or about the last day of each month. The only moneys I receive on account of the railroad company are those received for way fares between Trenton and Bordentown, in the summer season. These moneys are returned to me, and I make a monthly return of the amount to Mr. Gatzmer. I have resided in Bordentown since 1831. The railroad was finished from Bordentown to Hightstown in October, 1832.

Friday, November 2, 1849.—And horse cars were first run on that portion of the road the 20th day of October of that year, passengers being taken from thence in stages to Price's point, on the Raritan river. On the 17th of December, 1832, the road was completed from Bordentown to Amboy, so as to run a line of horse cars through. When winter came on that season, and the Delaware was closed, we came with horse cars from Amboy to the Sandhills, and carried the passengers from thence in coaches, by way of Trenton bridge and the Philadelphia and Trenton turnpike, to Philadelphia, going through with the cars to Bordentown, whenever the river was open so as the steamboats could run. In September, 1833, we commenced to run the trains with locomotives between Amboy and Bordentown, and, as the road was finished from point to point below Bordentown, we continued to run the trains, when the navigation of the river was obstructed, to the farthest point at which the road was finished, for the time being, and from thence to Camden by stages. This was continued through the winter of 1833-4, at all times when the navigation of the river to Bordentown was impeded by ice. When the river was open, the steamboat took the passengers to and from Bordentown. The road was so far com-

pleted to Camden in August or September, 1834, that locomotives were enabled to run to Camden; a great deal of the road, however, being temporary, and not completed.

In the summer seasons the steamboats always ran to Bordentown, and, I think, carried the principal passengers. The object of laying a temporary track through to Camden, was to be able to carry the passengers through that way, whenever the steamboats could not run. Locomotives were used for conveying materials for the construction of the road prior to September, 1833, as early as the month of March in that year. The first lines that were started in connection with the Philadelphia and Trenton railroad were transported between Trenton and the Sandhills in coaches; this was commenced in the fall or winter of 1835, and was continued in that way until the branch road was constructed between Bordentown and Trenton, which was finished, and begun to be used, in January, 1838. About the 1st of January, 1839, the branch road was completed from Trenton to New Brunswick, and the line by that route was commenced in connection with the Philadelphia and Trenton Railroad Company and the New Jersey Railroad and Transportation Company. In making up the quarterly returns for passengers for transit duty, I derive the number of passengers transported across the branch road between Trenton and New Brunswick, in the lines run in connection with the companies last aforesaid, from returns made to me by James Morrell, secretary of the Philadelphia and Trenton Railroad Company, which are made under oath. The number of passengers transported across said branch road, by the Camden and Amboy railroad itself, I derived, at first, from the way bills, and afterwards from Mr. Gatzmer's returns. I derived them from the way bills for the morning accommodation line from Trenton to New York, as long as that line continued, which commenced the latter part of April, 1847, and continued until the establishment of the morning accommodation line from Philadelphia to New York, which was commenced in September, 1848. The passengers transported in the latter line I have received from Mr. Gatzmer's returns. To the best of my knowledge and belief, the treasurer's account book of the Camden and Amboy Railroad Company contains a true account of all the receipts and disbursements of the company, or, at least, the net result of all; the net current receipts, after deducting the current disbursements, being entered in his book, and charged to his account.

I assisted in making up the supplemental return that was made to the state treasurer in 1842. It was made up from the original way bills, to the best of my recollection. I am perfectly satisfied that that return embraced the whole number of way passengers and weight of way merchandise declared dutiable by the legislative resolution of 1842, which had not been previously returned, as our instructions were to embrace in it all that could by any possibility be construed to be within the resolution; and I know that we took great pains, and worked a long while, to make it perfect and complete, and I believe it is so. We were governed by the same principles, in making out that return, by which the officers of the company have ever since been governed in determining what passengers are dutiable, including all that passed over the road between Bordentown and Amboy, no matter where they came from or where they went to, and the same, I believe, with regard to the merchandise. The same instructions were given with regard to merchandise as with regard to passengers. I have always received the weight of merchandise liable to transit duty monthly; I receive it in one entire amount from Mr. Gatzmer. I knew nothing about the details of making it up. I have always supposed it was returned on the same principle as the passengers. The excursion passengers on the Camden and Amboy railroad are always entered by me single in the general abstract book, as returned to me. They pay but for one ticket, and are entered as a single passenger. This method of returning excursion passengers has led me into a small error, several times, in making up the returns for transit duty, from my omission to double them. I have been led into the same error, in the same manner, with reference to the excursion passengers by the Philadelphia and Trenton line, in two instances. They were returned by Mr. Morrell double previous to March 31st, 1848. I wrote to Mr. Morrell to return them in a column by themselves, singly, and I would double them, as some confusion arose in making up my returns. The supplemental return, embraced in the regular return of the 30th June last, a statement of which is before the commissioners, embraces all the omissions that have been previously made, so far as I have been able to discover after a considerable labour and examination, and all to which my attention has been called in any way. All the entries in the book kept by me, and called the construction book, are for payments actually made for the construction of the road, and exhibit a true account of those

payments, and the moneys received by me therefor, to the best of my knowledge and belief.

The supplemental return of 1842, in the book of returns from the treasurer of the Camden and Amboy Railroad Company to the treasurer of the state, now before the commissioners, is a correct copy of the return made at that time, in pursuance of the joint resolution of the state legislature, passed in March of that year, and to which I have herein before referred; and the returns contained in that book are correct copies of the quarterly returns made by the treasurer of the railroad company to the state treasurer.

RICHARD SHIPPEN.

Sworn and subscribed, the 2d day of November, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Thursday, November 8, 1849.

George W. Aspinwall, being duly sworn, deposeth and saith—I reside in Philadelphia, was formerly engaged in the transportation business through the Delaware and Raritan canal. The first arrangement was made in January, 1845. I had been engaged previous to that in the transportation between Philadelphia and New York, by steam, by sea, in vessels of large burthen; this was carried on until during the winter of 1844-5, when overtures were made, on the part of the canal company, to transfer that business, and my capital invested in it, through the canal. The canal company, having already an arrangement with a line of barges belonging to the New Brunswick Steamboat and Canal Transportation Company, which ran between Philadelphia and New York, offered the route between Philadelphia and Albany, on which route the New Brunswick company had an imperfect line running, doing but a very small business. After satisfying myself that by the introduction of fresh capital, and believing that the trade could be greatly augmented, I agreed to accept their proposal, provided their rates of toll should be so moderate as to give a fair chance of success. The contract between us was made in January, 1845, and every preparation made that winter for the opening business in the spring. Mr. Edwin A. Stevens, during the progress of the negotiation, very fairly apprized me of the meagre success which had attended the efforts of the New Brunswick company in diverting the trade by that route; but I, having satisfied myself that a combination of interests connected with the trade could be effected, em-

bracing the northern, eastern, and western trade, which would make it sufficiently compensatory to undertake the arrangement, it was completed. This arrangement was made to last to the 31st December, 1851. The terms were seven and a half per cent. on the freights charged for coal, and ten per cent. on the freights charged for merchandise. We were to have all the facilities enjoyed by the New Brunswick company. I had several associates connected with me interested in this line. No persons connected with the joint companies (railroad and canal) or with the New Brunswick company were interested in our line. We commenced running the line in the spring of 1845. The large iron steamers, which we had used by the outside passage, were altered to conform to the locks of the canal. We caused new barges, of the largest capacity that could be used in the canal, to be built, to be towed by these steamers. We also procured other steam vessels, and chartered other barges, established our agencies in Philadelphia, Albany, Troy, and other places, and were ready to augment our facilities with the increase of the trade. We soon found that these facilities for transportation produced the desired effect; our business so greatly increased that we were induced to put on a line of tow boats to run between Albany and New Brunswick direct. We continued to increase our force through the canal during the whole period that we run under the contract, and I think we had at some periods as many as twenty vessels and steamers employed. We had, up to the last moment, abundant reasons to be entirely satisfied with the enterprize. I think I may say with truth, that the great success of the line which we established was mainly owing to the great exertions we made to secure the western trade, by way of Albany, by giving through bills of lading to points extending far beyond the extremities of our line, and by securing certainty, frequency, and speed in the transportation of merchandise. We also induced the insurance offices of Philadelphia to insure goods by our lines, at moderate rates, through to their places of destination. To our great care in selecting men, and to freedom from accidents, I attributed much of the popularity of our line. In this way we rapidly built up a large business, and greatly increased the amount of transportation on the canal.

In the winter of 1847-8, a company was incorporated by the legislature of New Jersey for the express purpose of transporting merchandise on the route which we occupied, and commenced their operations in the spring, under the name of the "Commercial

Transportation Company." This line was started in direct opposition to us, and was materially diminishing our business, which we deemed in direct violation of the understanding had with the canal company, at the time of making the arrangement with them, and without which understanding we should not have invested our capital. This understanding was, that they should protect us in our trade, as far as lay in their power, provided we did the business to the satisfaction of the public and their own. We therefore claimed this protection, and the Commercial company was importuning for special privileges in their own behalf, in order to compete with us. There was at that time no necessity for another line to meet the trade; our line was constantly keeping pace with the increase of business, and at low rates of freight. The canal company were in a dilemma, desiring to perform their honourable engagements with us, and not wishing to disappoint the Commercial Transportation Company in the preparations which they had made. In this exigency, and after several interviews with the officers of the canal company, we resolved on a proposition to give up our contract, involving what we deemed a pecuniary sacrifice. Our proposition to the canal company was based on no sacrifice to them nor the state. We proposed that if they would, for the unexpired period of the contract, pay us the difference, year by year, between the full tolls according to their published toll list, which would accrue from our business, assuming that of the year 1847 as the basis, and the tolls which we were to pay by our contract, we would relinquish our contract; which difference we showed to be, for the year 1847, the sum of \$7300, or thereabouts. To this proposition they assented, it being understood that the Commercial Transportation Company were willing to purchase our line of barges, and we to become stockholders with them. The arrangement was consummated, to take effect from the 1st May, 1848; and thereafter the combined Commercial line paid the regular tolls for the whole season, except on articles not enumerated in the toll list, on which they paid twenty-five per cent. of the freight. The result of the year's business, notwithstanding this, showed that the arrangement was advantageous to the canal company, which received into its treasury, after deducting the stipulated yearly payment to us, a larger amount of net tolls than would have accrued from the same business under our arrangement. I had, before the rescinding of the contract, represented to the canal company that that would be the result. The manifests of our own line, before the commission-

ers, contain a statement of the whole property transported in our line in the years 1845, 6, and 7. If our lines carried any goods during those three years, not contained in these manifests, we got no freight for them.

When the arrangement with the Commercial company was completed, in 1848, they took all our barges, except three or four of the most indifferent ones. These we sold off as we got opportunity, using them in the meanwhile for transporting coal principally, and paying the regular tolls, without interfering with the business of the Commercial company. We continued paying tolls under our contract, until the 1st May, 1848; after which we paid the full tolls, according to the toll lists, for what little business we did. The book before the commissioners, containing statements and settlements with the canal company, is one of our books, and contains correct copies of the settlements made, showing the tolls paid, and is accurate, to the best of my knowledge and belief. The amount the canal company were to pay to us for rescinding the contract, was the yearly sum of \$7295.42, for four years, with interest. No bonds were given to me by the company; they positively declined giving any. The obligation to pay was contained in the article rescinding the contract, and upon that, alone, rests the claim against the company. It is now, and always has been, my opinion that the rescinding the contract, in every point of view, was advantageous to the canal company. I am also equally clear that the original contract with us was also advantageous to the canal company, and for their interest to make. We never availed ourselves of the privilege, guarantied by our contract, of transporting goods on our own account to New York, but to a very limited extent, a few barge loads.

We did not furnish Mr. Degraw, the canal collector, with any estimate of the weight of superior merchandise carried by our barges, at the monthly settlements. They contained the amount of freights charged, and the tolls calculated therefrom. Our barges carried a considerable amount of iron from Bristol, but it all appears in the manifests, as also railroad iron carried from Trenton.

GEORGE W. ASPINWALL.

Sworn and subscribed, the 8th day of November, 1849, before the commissioners,

AARON ROBERTSON, *Ch'n*.

BORDENTOWN, Tuesday, December 6, 1849.

John B. Hill, being duly sworn, deposeth and saith—The attention of witness being called to an item of \$10,297 tons, 2 cwt. 1 qr. 7 lbs., as the amount of inferior merchandise transported through the canal, as liable to transit duty for the quarter consisting of the months of April, May, and June, 1841, which duty is found in the account of the treasurer of the canal company of merchandise liable to transit duty, says, the entry was made by me. I was at that time a clerk of Mr. Neilson, the treasurer of the canal company, and was in the habit of making entries in his book, and footing up the amounts. I find now, on an inspection of the book and the items which go to make up this amount, that it should have been 29,297 tons, 2 cwt. 1 qr. 7 lbs., instead of 10,297 tons, 2 cwt. 1 qr. 7 lbs. It is evident, to my mind, that the mistake occurred in adding up the sums that belonged to the amount. I made the addition. The original separate items are in Mr. Neilson's handwriting. The mistake, so far as either he or I was concerned, was entirely inadvertent and unintentional.

JOHN B. HILL.

Sworn and subscribed, the day and year aforesaid, before the commissioners.

AARON ROBERTSON, *Ch'n.*

BORDENTOWN, Thursday afternoon, December 10, 1849.

John D. Hager, being duly sworn, deposeth and saith—I reside in the city of New York at present; I left New Brunswick 2d of July last. I was formerly connected with the New Brunswick Steamboat and Canal Transportation Company. The company was organized in the fall of 1830, by a few gentlemen in New Brunswick, and two or three in New York. We had an act of incorporation from the legislature of the state of New Jersey; the charter was granted in February, 1831. We commenced running before the charter was granted, the company having been organized before. I was one of the original stockholders. The business of the company was transporting passengers and goods between New Brunswick and New York, and intermediate places, by steamboat and a sloop called the *James Bennett*; the steamboat was called the *Napoleon*; the sloop carried wood generally. The active men of the company were Capt. Isaac Fisher, the commander of the steamboat, Lawrence Fisher, as pilot, and myself, as clerk. In the spring of 1831 a majority of the interest in the company was sold

to Messrs. Stevens, Neilson, and associates. Miles C. Smith was elected president, and myself secretary, and Abm. S. Neilson treasurer. Up to that time the trade of the company had been confined between New Brunswick and New York, and continued so up to the year 1834, I think. Up to 1834 we had only the steamboat Napoleon and the sloop James Bennett, which latter was sold some time previous to that time. The original capital of the company paid in was \$25,000, divided into 200 shares, and \$125 per share, paid in 1834. Mr. E. A. Stevens proposed to increase the capital to \$50,000, for the purpose of building canal barges to commence freighting on the canal. The proposition to increase the capital was agreed to; the original stockholders surrendered a portion of their stock, and the new capital was contributed by other persons that were taken in.

This new capital was invested in canal barges. In 1834, Mr. E. A. Stevens proposed to associate in the same company Hill, Fish & Abbe, then engaged in the transportation business between Philadelphia and New York, which was agreed to, and they brought with them the business of the Union transportation line, conducted on the railroad, on the 1st of January, 1835; they became stockholders at the same time. No new capital was required to be raised for the transportation business for the first year and a quarter. Abbe and Fish conducted the transportation business over the railroad, as agents for the New Brunswick company, and received a per centage therefor. The per centage was quite large, and E. A. Stevens objected to paying them so much, and in the spring of 1836 a change was made, and their services dispensed with, and the services afterward performed by clerks on salaries. As secretary, I recollect recording an agreement, in the form of a resolution of the Camden and Amboy Railroad Company, handed to me by James Neilson, in his handwriting, between our company and the Camden and Amboy Railroad Company. This was after Fish and Abbe came in, it was in 1835. It was recorded in the book of minutes. The purport of it was, we were to pay eight cents per ton per mile for the railroad distance, and \$2.76 for the steamboat distance, making the amount paid between city and city \$7.64 per ton. The New Brunswick company owned none of the capital employed in this transportation; the boats, the cars, and all the property employed, belonged to the Camden and Amboy Railroad Company. The transportation line was conducted under the name of the Union transportation line, as when belonging to Hill, Fish & Abbe. The

name of the New Brunswick Steamboat and Canal Transportation Company was put into the receipts or bills of lading, as proprietors. The company commenced transporting on the canal as soon as their barges were prepared, and the profits of the first year were applied to the building of more barges by the company.

All the dividends of the company, up to 1838, were declared from the earnings of the steamboat Napoleon. The company held semi-annual and annual meetings, generally, up to that time, and declared dividends, except in 1837, when there was no meeting, and in 1836, when there was a meeting, and no dividend was declared. The last meeting which I attended was in 1838, at Spotswood, which was the last meeting of the stockholders till 1847. It became my duty, as secretary, to call the annual meetings of the stockholders the second Monday of May annually. I regularly published the call till the spring of 1846, but no meetings were held after 1838; but annual dividends were declared from the earnings of the steamboat Raritan. The business of the Union transportation line was never rendered to the stockholders of the New Brunswick company from the commencement, January 1st, 1835, to its termination, in 1846. By this I mean, no accounts of the business were ever exhibited to the stockholders, although some of the stockholders made frequent requests to have an expose of that business. After Mr. James Bishop, sen'r's, death, his son James Bishop, Miles C. Smith, Isaac and Lawrence Fisher, and myself, waited upon Edwin A. Stevens, in this house, in Bordentown, in January, 1846. The object of our visit was to get an explanation of the transportation business, both railroad and canal. We made an application to Mr. Stevens for an expose of that business, the affairs of the company, and he replied, it could not be done, the books could not be exhibited, that was his way of doing business; he managed the company as a close corporation. I myself proposed that if he would not render an account, I then asked him if he would not name a price for the valuation of the stock, so that those that wished might sell, to which he replied, that he would do so. According to promise, he forwarded to Capt. Fisher a letter, dated Philadelphia, March 29, 1846, wherein he says: I estimate the whole property of the company to be worth \$228,281, or \$1151.40 per share. That was the valuation he put on it, without making any exhibit. On the receipt of the letter, we had a meeting at the house of Mr. Bishop, and we all agreed to sell, with the exception of Isaac Fisher. Mr. Stevens bought eight shares from James Bishop,

and one share from Dr. Richmond, at that price. Capt. Lawrence Fisher and myself afterwards waited on Mr. Stevens to sell ours at the same price, and, after some considerable negotiation, it was declined by Mr. Stevens saying, that Messrs. Neilson and Thomson found fault with his estimate, and he could buy no more at that price. I complained at this, and he said he would make a new estimate, and in January, 1847, he verbally gave me another estimate, amounting to \$1010 per share, which I declined. A meeting of part of the stockholders was held in March or April, 1847, at New Brunswick, prior to which time James Bishop had purchased four shares of the stock, at \$750 per share, in Philadelphia, of Wm. J. Watson; he was present at this meeting. I negotiated the purchase of the stock for him of Mr. Watson. At this meeting Mr. Stevens read a letter from himself to Capt. Isaac Fisher, stating that, upon a re-examination of the property, he made the stock worth the old price, \$1151.40, and was willing to give that price to those who wished to sell. Mr. Bishop and myself replied, that we would sell at that price, if we could look at the books and find that it was not worth more. He replied the books could not be opened; if they were, he would not name any price. Mr. Stevens exhibited a schedule or abstract of the property of the company at that time, such as real estate in Philadelphia and Bristol, steamboats and barges, and cash. The idea that Mr. Stevens held out, as a reason for not exhibiting the business of the company, was, that by exposing it to the public, the business would be destroyed by the competition; that was what he always contended. Those items of property and boats were not appraised. I requested him to make a price or value to each article, so that I could judge, which he declined. This meeting was held about ten days after I had filed a bill in chancery. This special meeting was called at the request of Mr. Stevens, I presume. In September, 1847, an examination in my suit was held before J. S. Blauvelt, master in chancery, in New Brunswick, at which examination A. S. Neilson, the treasurer, was examined. In answer to a question, Mr. A. S. Neilson, treasurer, testified, on that occasion, that all the dividends that had been declared and paid by the New Brunswick company had been paid out of the earnings of the steamboats Napoleon and Raritan.

Mr. A. S. Neilson rendered an account the next day to me of the earnings of those steamboats, which showed that they had made the dividends. He also testified that he had no knowledge, or ever received any account of the business of the Union transportation line

from January, 1835, to April, 1846. I received an abstract, at the same time, from Mr. Wm. H. Gatzmer, of the transportation on the railroad from 1835 to 1839, five years, making tonnage transported 53,819 tons for that period, yielding a profit to the New Brunswick company, after paying expenditures, \$245,455.23, and for the subsequent years, from 1840 to April 1st, 1846, inclusive, 149,185 tons transported, yielding a profit to the New Brunswick company of \$64,911.29. The statement was not given to me in this form, but given year by year. I put it in this shape myself, as he gave it; it was as follows:

1835,	8,096 tons,	profit,	-	-	-	-	-	\$24,470.89
1836,	10,810	"	"	-	-	-	-	70,873.26
1837,	12,507	"	"	-	-	-	-	53,617.28
1838,	10,641	"	"	-	-	-	-	53,174.80
1839,	11,675	"	"	-	-	-	-	43,319.00

		Receipts.	Expenditures.
1840,	14,781	" \$197,011.39	\$173,735.64
1841,	18,207	" 229,775.94	205,778.89
1842,	18,331	" 194,305.90	200,491.28
1843,	24,054	" 272,399.61	265,159.48
1844,	30,515	" 324,122.33	314,960.29
1845,	32,861	" 350,005.13	346,872.36
1846,	10,436	" 146,719.78	142,430.85

This statement was prepared for me by the book keeper, Mr. Gatzmer. The total amount of the receipts of the New Brunswick company from this source is \$1,714,340.08

Expenditures, 1,649,428.79

Amount paid the Camden and Amboy Railroad Company, from 1840 to April, 1846, inclusive, as reported by Messrs. King and others, \$913,962.16.

BORDENTOWN, Friday morning, December 21, 1849.

John D. Hager resumed.—The amount paid Hill, Fish & Abbe, for the year 1835, for their agency, was \$14,602.47, making, per month, \$1216.88, and it was resolved to settle with them for March and April, 1836, at the same rates. In February or March, 1846, at a meeting of the board of directors of the New Brunswick company at Trenton, when the resolution was passed dissolving the connection of said company with the railroad, Miles C. Smith, president of the company, on learning the objects of the meeting, refused to take his seat as president of the board, as he himself and a portion

of the stockholders were opposed to the dissolution. I myself was opposed to it. Shortly thereafter, Miles C. Smith was removed, both as president and director, and Richard Stockton elected a director, in place of Mr. Smith, and thereafter elected president of the company.

Mr. Gatzmer rendered me an account, on the 2d day of September, 1847, of the steam towing, as follows:

1842,	expenditures,	\$26,588.69	receipts,	\$14,768.93
1843,	"	41,268.82	"	65,939.08
1844,	"	75,935.50	"	73,479.32
1845,	"	137,237.52	"	178,613.34
		<hr/>		<hr/>
		\$281,030.53		\$332,800.67
Net profits in four years,				\$51,770.14

This balance was allowed to the stockholders, in settlement with them. I received my proportion of it in payment for my stock. The New Brunswick company owned no boats engaged in the steam towing business, to my knowledge, and that, as they never created any capital for carrying on that business, I considered the proceeds a gratuity to the New Brunswick company. I was willing to receive, as a stockholder, all that was rendered to us, but never knew till then that we had any thing to do with that business.

My opinion is, that the proceeds arising to the Napoleon company from the earnings of the Union transportation line, from January 1st, 1835, to April 1st, 1846, and also the proceeds arising in like manner from steam towing for the years 1842, 3, 4, and 5, four years, was, in the main, a gratuity rendered to the Napoleon company by the directors of said company, and without that company advancing any capital thereto, and should, in justice, have belonged to the stockholders of the Camden and Amboy Railroad and Delaware and Raritan Canal Company, the same directors being directors of both companies. Under this view, I think it was proper that it should have been estimated in the valuation of my stock, because, as a minority stockholder, I was bound to make good all deficiency, if any should have arisen in said business, consequently deem myself properly entitled to the benefit thereof.

I made an arrangement with Commodore Stockton, at Princeton, January 13th, 1848, for the sale of my stock. I don't recollect who I transferred it to, my impression is, to the Napoleon company.

The basis on which my stock was estimated, was a valuation of

the property of the company, together with the reported earnings of the several lines. We had a list before us at the time, the commodore and myself. After we had settled the value of the stock, and after we had separated, the commodore, conceiving there was an error, sent down to me to have it rectified, which was done. The error, as he said, consisted in the fact, that I had added the original capital of \$50,000 to the amount and schedule of the property and earnings. This item was stricken out, but the valuation of the property was increased to make the result the same, at the instance of Richard Stockton, who came to me from the commodore. The original valuation that had been made of the property was made at the first interview between the commodore and me, upon which the settlement was founded, reserving to myself the explanation, by Commodore Stockton, of three items of cash charged, amounting to \$26,000, both in the transportation books of William T. Anderson, New York, and A. S. Neilson, treasurer, New Brunswick, I conceiving the latter to be the only proper place.

The valuation referred to was made with the assistance of clerks who were present at the interview with the commodore and myself. The valuation, as made, was agreed to by both parties at the time. The amount of the capital was afterwards added to this valuation, on the supposition that it ought to be added to make it right, not on the supposition that the property was worth more. The three items referred to was cash charged against stockholders for dividends for the years 1837, 1840, and 1841, the same being charged in the books of the treasurer, at New Brunswick, in the first place correctly, and allowed to him by the stockholders, and in the second place the same items were charged in Mr. Anderson's books, as I think, wrongfully. The dividends were respectively \$8000, \$10,000, and \$8000.

We were also proprietors of the canal freight line and canal coal barge line, and at this settlement at Princeton, January 13th, 1848, a profit of \$103,736.05 was allowed on the freight barge line; on the coal barge line was a loss of over \$20,000; I have not the exact amount. With the exception of the first year, no settlement was had with the stockholders, nor any account rendered them concerning this business for thirteen years.

Cross-examined by Mr. *Bradley*.

The original cost of the steamer Napoleon, complete, and the sloop James Bennett, was \$23,000, or thereabout. The books of the company were always open to the directors, I suppose and un-

derstood. If the earnings of the steamboat were appropriated to the dividends, the cost of building the Raritan must have been derived from the sale of the Napoleon and other sources. The Raritan cost \$48,000, or thereabouts; the Napoleon sold for about \$10,000. When I say there was no meeting of the stockholders, from 1838 to 1846, I mean to say that no opportunity was offered for the original or minority stockholders to meet with the majority stockholders. I cannot say whether there was or was not a meeting of the stockholders between 1838 and 1846; but I have no doubt there were meetings of the directors who were large stockholders during that time. I do not know, from my own knowledge, of any of the stockholders applying for an expose of the business of the company prior to our meeting Mr. Stevens at Bordentown, in January, 1846. I have no knowledge, except what I have been told by other stockholders.

When Mr. Stevens, in March or April, 1847, offered to allow \$1151.40, the amount of his first valuation, it was on the condition that all the dissatisfied stockholders would sell at that price.

A meeting of the directors and stockholders was held in April or May, 1847, on notice from the treasurer, and a committee of three was appointed by that meeting to examine the books of the company; that committee was Isaac Fisher, Richard Stockton, and Col. Wm. Cook. They did report a schedule of the property and earnings, in gross, of the lines. This agreed, so far as relates to the articles of property, with the one previously exhibited by Mr. Stevens, to the best of my recollection. This meeting was the 3d day of the month of April or May. Mr. Anderson was present with the books and papers of the company; he had three chests full of books and papers, I presume all the books and papers of the company. I do not know but what they were subject to the inspection of the stockholders; but I considered it impossible for the stockholders to make an examination, in the time afforded to them for doing so, at that meeting. I can't say whether or not the books were taken out of the chests or not. I did not look at the books; I think I looked at the schedule. I heard no objections made against the stockholders examining the books or statements. I and my counsel examined a portion of the books and papers of the company, at the treasurer's office in New Brunswick, in presence of Mr. Gatzmer, the next day after the examination in my suit, in September, at New Brunswick; no books of the company were refused to us. This was done by consent of the counsel on both

sides. We took extracts from the books at that time; we were there a good part of the day examining the books; we got through with the examination of all the books that were there; they were Mr. Anderson's and Mr. Gatzmer's books and papers. This was the time Mr. Gatzmer gave me the statements before mentioned.

The Napoleon company owned the steamboat Hornet; whether she was engaged in steam towing or not, I do not know. I do not know whether any of the office or general expenses had been taken out of the steam towing account or abstract or not, as presented to me. It did not include any of the expenses of 1846, to my knowledge. The steamboats Napoleon and Raritan had no opposition on the Raritan river up to the time I left, except sometimes in the summer a small boat run to Washington.

I left the concern on the 1st of April, 1847. The Antelope commenced running in August, 1847. I was engaged with the company owning, as general agent, until the 1st of November, 1847. She was commenced building in May, 1847; she was built in about four months. It was in the spring, April or May. I was among those who started the enterprize of the Antelope. I have not been interested in the Antelope since November 1847. I think the building of the Antelope was contemplated from the month of March, 1847. The company was organized early in March. The organization was under the charter of the Perth Amboy Steamboat Company, which had been chartered for a year or two prior. The stock was filled up by Amboy, New Brunswick, and Woodbridge people. I never heard of the building of a new boat talked of until February, 1847; I can't say whether it was before or after I filed my bill. I am in no business at present. I have never, by any articles furnished for the press, directly or indirectly, or any other printed publication, been concerned or had any thing to do with any charges against the Camden and Amboy Railroad Company or its officers. I did sign a petition to the legislature requesting an investigation into these charges. I would also except my bill in chancery. I have not, to my knowledge, been concerned with any persons who were making such publications.

Mr. Carey wrote to me for an exhibit, this abstract that we have been speaking of, of the earnings of the railroad transportation line. This was in the year 1848, what time of the year I can't tell. I wrote to him that Mr. Halsted had it, and I believed he procured it of him. I have had three or four other letters from him, making some unimportant inquiries. I always answered them. Whether I

could give him any information or not, I cannot say. He once called at my house also; it was when the question of appointing the present commission was up in the Senate. This was the only time I have ever seen him, to the best of my recollection. I don't recollect that I have ever contributed any money towards the publication of Mr. Carey's charges, or any others, against the company, nor for any other purpose in relation to the charges. The statement presented to the commissioners yesterday is in the handwriting of Mr. Webb of New Brunswick.

Two papers, purporting to be letters of the witness, one addressed to Capt. Fisher, without date, and the other addressed to Commodore Stockton, dated New Brunswick, December 23d, 1847, being shown to witness, he says they are in his handwriting. The letter to Commodore Stockton I sent to him by mail, at or about the time it bears date; the one addressed to Capt. Fisher was delivered by me to Capt. Lawrence Fisher, I think it was in October 1847, the signature was not affixed at the time; the signature and body is in my handwriting; I affixed my signature to it at the settlement with Commodore Stockton, January 13th, 1848.

Here the witness voluntarily states, in October, 1847, after the chancellor had refused the application for a receiver, my old friends and associates, sympathizing in my affairs with the company, induced Capt. Lawrence Fisher to call upon me, and desired a settlement with the company. After some conversation, Capt. Fisher handed me a copy of the paper marked exhibit No. 1, saying that it was handed to him by Mr. James Neilson. Capt. Fisher at first refused to take it to me, but at last consented to do so. He left the paper with me, and I retained it probably a week, taking a copy thereof, and returned to him the original, declining to sign it, because I had not seen the books to enable me to subscribe to that paper. Shortly after the arrival of Com. Stockton from California, I wrote to him the letter marked No. 2, of my own accord.

At the settlement at Princeton, January 13, 1848, it was understood between Com. Stockton and myself, through my attorney, that if I found, on examination of the books, if I could sign that paper conscientiously at the settlement, I should do so. Upon that examination I discovered the double charge, as I understand it, of \$26,000 for dividends. I called the commodore's attention to that fact; he replied he was anxious to settle the matter according to the books. After some delay, and not wishing to defeat the settlement, I proposed to him that we should close the matter, and I

would sign the paper alluded to on the condition that he would, on the 1st April following, examine the books in New York and New Brunswick, to see if my allegations were correct or not; and if he found those charges, as alleged by me, correct, that is twice charged, then he would remit to me my proportion of the amount, to which he gave me his personal pledge of honour that he would do so, whereupon I closed the matter, and signed the paper No. 1.

JNO. D. HAGER.

Sworn and subscribed, the 21st day of December, 1849, before the commissioners.

AARON ROBERTSON, *Ch'n.*

COPY OF EXHIBIT NO. 1.

To Captain Fisher.

DEAR SIR,—You being a mutual friend of Mr. E. A. Stevens and myself, I feel it a duty I owe to him and myself to state to you, that the information I have received since filing my bill against Mr. Stevens and others, by the examination of the books of the New Brunswick company, and the testimony of the witnesses examined in reference to the above bill, and the answer thereto, I am now perfectly satisfied that Mr. Stevens, as far as he directed the affairs of the company, did so as to its best interests, and that I was in error in regard to the management of the company, and have done Mr. Stevens and his associates an injustice which I regret, and would willingly repair if in my power.

JNO. D. HAGER.

COPY OF EXHIBIT NO. 2.

NEW BRUNSWICK, December 23, 1847.

To Commodore Stockton.

Permit me to congratulate you upon your safe arrival among your family and friends from your perilous campaign in New Mexico, and of your continued good health.

I have flattered myself that I have always enjoyed your good opinion and friendship, and that induces me to make some explanations in relation to the unfortunate difficulties that have arisen in your absence relative to the affairs of the *New Brunswick Steamboat and Canal Transportation Company*, all of which I believe would have been avoided if you had returned to the United States in the early part of the present year.

Without wishing to enter into any review or defence of the many charges made in the bill filed in chancery by me against Mr. E. A. Stevens and others, I will be frank, and say, that from my previous knowledge, as well as from information derived in the prosecution of the cause, in the taking of depositions, &c., I am fully satisfied that the management of the New Brunswick Steamboat and Canal Transportation Company, by Mr. E. A. Stevens and his associates, has been for the best interests of the stockholders; and at a meeting held at New Brunswick, in April last, I cheerfully gave my vote for the following resolution:

“Resolved, That the thanks of the stockholders are due to Edwin A. Stevens for the ability and success with which the affairs of the New Brunswick Steamboat and Canal Transportation Company have been managed by him, and that they have undiminished confidence in the management of the affairs of the company.”

I will also say, that from the examinations made since the commencement of the suit, I have discovered nothing that would impair the personal reputation of Mr. Stevens, Mr. Neilson, or Mr. Thomson; and if at any time during the progress of the examination, in the warmth of feeling, I have said any thing conveying any such imputation, I will most willingly retract the same, whenever called upon for that purpose.

I need only to appeal to your well known character for probity and high honour, to believe me when I say to you, that I am only seeking my proportionate share of the assets of the company, having for the past two years anxiously desired (owing to my loss of sight) to retire from active pursuits.

Respectfully,

JNO. D. HAGER.

BORDENTOWN, Wednesday, January 9, 1850.

Theodore F. Manning, being duly sworn, deposeth and saith—I have been deputy collector on the canal at Princeton since the latter part of the year 1841, under Mr. Degraw, the principal collector. Most of the entries in the collector's books, or the majority of them, have been made by me, since I have been there. This was my first connection with the companies. My principal duties have been to keep the books, clear vessels, and receive the tolls, ascertain the weights of the cargoes, and enter them in the collector's book, distinguishing between superior and inferior merchandise. With regard to vessels that paid their tolls as they passed, the tolls

and the amount of merchandise have always been entered correctly, according to the best of my knowledge and belief. All through tolls are paid at the collector's office at Princeton, in which I was situated.

I know of no through merchandise whatever, the weight of which is not accounted for at the Princeton office. It is the only through office on the canal. The other collectors' offices receive the way tolls, and have nothing to do with the weights. The rule is for the Princeton office, however, to receive all way tolls for merchandise that passes that office; there have been some few departures from it. There have always been, since my appointment, some vessels, certain lines of vessels, that did not pay as they passed; but paid monthly, or at other periodical times, by arrangement with the company. These tolls, when settled, were frequently collected by drafts on the persons from whom they were due, always being accounted for through the Princeton office, there being no exception to this rule, to my recollection.

The lines of vessels which paid in this way, and did not pay as they passed, were the Merchants and Swiftsure lines, Frazier & Aspinwall's Albany line, Hartford line, Easton line, and lately the Commercial line, which took the place of Frazier & Aspinwall's, and the Baltimore line, also most of the regular coal lines. Some of the tolls on coal from the Schuylkill were formerly collected by Mr. Pennington, at Fairmount, who gave the boats a receipt and order to exhibit at our office. There are several individuals, also, who have a credit to the end of the month; it is confined generally to the coal business. The Easton line, I think, has run ever since I have been in the office until lately at a rate of half tolls. The arrangement does not now exist; it has not existed for the past season, except perhaps for the first month. The deduction formerly made to that line was one half of the regular tolls and other charges, according to the tariff of tolls. That line now pays the full amount of tolls, according to the tariff of tolls, and are drawn upon at the end of the month for the amount. The sole proprietors of it are Able, Wilson & Co., of Easton.

Formerly the vessels of these lines were entered as they passed, as they are at the present time; but for several years the vessels of the Merchants and Swiftsure lines and the Albany line were entered at the end of the month altogether.

The way we ascertained the tonnage or weight of cargo has been as follows: most vessels that pay as they pass have their

weight on the manifest; if this is not the case, we convert the articles into tons, according to the best of our judgment. We have certain rules for doing this with regard to many articles. We have never weighed a cargo, and have no apparatus for doing so at the office. We have weighed different articles of a cargo, in order to estimate the weight of a cargo. Coal boats always have their tonnage on their bills of lading, which we have generally taken.

The boats belonging to the regular lines usually bring a manifest with them, with the tonnage entered on it. We are very strict with them, in requiring a manifest showing the amount of tonnage on board. We have been more particularly so in the seasons of 1848 and '49, and have been more strict in 1849 than we were in 1848. The reason of our becoming more strict with them, was the express order of the companies to that effect. The orders were, that we should detain a vessel not having a manifest showing the amount of cargo until one was procured, or until we had assurance that one would be forwarded by the next conveyance or by mail.

For several years a number of vessels were omitted to be entered belonging to the regular lines. I think it was first discovered that these omissions were made in 1846. There was a supplemental return made, in the beginning of 1847, of over 11,000 tons of superior merchandise, as having passed in 1846, and having been omitted. This was supposed to have been all that had been omitted at that time to any great extent. This return was made by direction of Capt. Degraw, the collector. The officers of the company became aware of the omissions being made, and gave the collector directions to have them made up and returned. They at the same time gave orders to the collector to observe greater strictness in keeping a regular record of the merchandise that passed. There was much greater regularity the following year than there had been before. Orders have since been repeated, from time to time, by the officers of the company, to observe greater strictness, and to keep a complete record of the merchandise that passed; and for the past year, I think, every thing has been entered to the full amount, to the best of my knowledge; and I know that we are very strict, and believe that no vessels have been missed. We take the tonnage entered on the manifests, and have reason to believe that it is correct, judging from the cargoes themselves, as the vessels passed. If there is any difference, I think the estimates would incline to be greater than the amount on board. I have always had

instructions from the collector, that in making estimates of cargo, to make them liberal.

I suppose the omissions arose from carelessness. It was not done at all with the knowledge or priority of the officers of the company; so far as I know or believe, they knew nothing about it, until, having discovered it, they directed it to be rectified by a supplementary return. I always understood it to be the duty of the collector to return monthly, to the treasurer of the canal, a statement of all merchandise that had been transported through it. The treasurer relied on these returns for the amount; it was the only guide he had. It was at the close of the year 1844, or the beginning of 1845, that we commenced entering the vessels of the regular lines at the end of the month, instead of entering them in their places according to the date of their passage. The tolls due from the Merchants and Swiftsure lines we always get from the agents of those lines in New York and Philadelphia.

Many of the omissions occurred by the neglect of the agents of the transportation lines to send manifests. When the manifests were sent they were not such as that we could correctly estimate the weight of the cargo from them, without reference to their estimate inserted therein or to the cargo itself. They did not contain sufficient data of themselves; they often did not contain an estimate of the tonnage; then we had to estimate it to the best of our knowledge, by inspection of the cargo and the general known capacity of the vessels, aided by the manifest. In many cases we could not correctly infer from the manifest what cargo was on board, a great many things often being entered in lump, as so many packages or so many bales of merchandise, without a specification of the weight or size. There was often great uncertainty in our estimates, after using all the evidence we had at command. I was aware that the tolls of the company did not depend on the weight of the cargo, but in the freights charged. I invariably made the estimates what I considered to be large. I was aware that the transit duty of the state depended upon the weight.

With a few exceptions, the manifests did not discriminate when they had way merchandise on board, and my estimates were based on the whole cargo. The tonnage transported by Frazier & Aspinwall's line was made up, at first, from the manifests, which contained a specification of the articles and weight, afterwards it was made up at the end of the month from all the manifests for the month, and entered in gross, without specifying the vessels. I

think the agents of that line were particular about forwarding the manifests regularly. I don't think we have ever taken the oath or affirmation of a master of a vessel to the correctness of his manifest.

It was first suggested by Mr. Degraw, the collector, to Mr. Thomson, or one of the officers of the company, that omissions had been made. The suggestion was not made in answer to any inquiries, to my knowledge. The collector discovered the fact from the small amount of tonnage entered at the end of the month.

The supplemental return was made up from the manifests sent from the offices of the agents, after the omissions were suspected. They were written to by the collector to send them, and they were sent on to the office at Princeton. I do not now recollect how the estimate was made up. I am under the impression that it was from the articles on board, and if so, it was done at the collector's office, by the collector and myself. This supplemental return was intended exclusively for merchandise transported by the Merchants and Swiftsure lines, it embraced nothing else. They were for a portion of the season of 1846, covering all the time it was supposed and believed that omissions had occurred; that was the intention, I think. I drew the collector's attention to the small amount of tonnage. When the supplemental return was made, in 1847, I was aware that there had been omissions, to a small extent, in former years, but do not think that the company were aware of it. Until this examination had commenced, we did not suppose but that the supplementary return covered all the omissions that had been made in 1846.

I believe that the transient business is all correctly entered. There are two assistant collectors or clerks at Princeton office, John W. Schenck and J. Wilson Stout. Mr. Stout has been there two or three years, and Schenck between three and four years. The omissions previous to 1846 were similar in character to those of that year; I know it from the fact, that all the vessels had not manifests as they passed. Vessels were sometimes permitted to pass, previous to 1846, without manifests being exhibited. It was not my impression, at the time, that these omissions were very extensive. In 1846 I kept the books, and had a knowledge of the omissions in that year, previous to Capt. Degraw making it known to the company. My impression was that there had been omissions for, perhaps, two or three years in a small way, but not as a general thing. I don't think I called the collector's attention to the fact, that there had been omissions previous to 1846. I do not know that

he was aware that there had been omissions previous to that time; he may have been, but I cannot say. In the year 1847, I knew at the time that some omissions were occurring, from the fact that vessels did not leave their manifests; I imagine that Capt. Degraw was aware of it also. In 1848, I think, the same thing occurred to some extent. The return to the treasurer of the company is sometimes made out by Capt. Degraw and sometimes by myself. In making our return to the treasurer, I considered it only correct so far as it went, as it regarded the tons. We had no materials in our office to correct the books by. We never noted the fact in our returns, that there had been omissions, when we were aware of the fact ourselves.

We never conveyed the intelligence of any omissions being made to any of the officers of the company, prior to 1846, nor do I think that any thing was ever said to them about any omissions since that time—nothing to my knowledge. The omissions of the tonnage of the Hartford line, in 1846, occurred by the agents not sending the manifests.

In saying that the omissions were made in consequence of carelessness, I mean the carelessness of the agents in not sending the manifests, either at the time or afterwards. I attribute it entirely to their carelessness. If the manifests had been sent, they would certainly have been entered. When they did not send them, I should suppose that it was the collector's duty to have sent for them, and have the tonnage entered as the boats passed. I think no means were taken by the collector to have them sent at the end of the month, where they had not come regularly during the month. I should consider it his duty to have got at the amount, as near as he could. I have no knowledge that the collector, in regard to this matter, acted from any other motives than carelessness. He follows no other business, except that he resides on a farm, and has the care of that. I know of no reason why the collector or myself did not communicate to the officers of the company our belief that omissions were made prior to 1846, and after that time, unless it was an idea that it could be afterwards adjusted. I cannot say that idea operated on my own mind. I should think a weigh-lock the most effectual mode of getting at the weight of cargoes, and I should think it a practicable one. It would not distinguish superior and inferior cargo, but inferior freight is usually in large quantities, that can be ascertained in other ways. I think there would be no difficulty in establishing a weigh-lock at Princeton. I have seen a

weigh-lock in operation at Easton. I think Princeton would be the most convenient place to erect one. I do not think that the process of weighing a vessel in a weigh-lock would consume any more time, or cause any more delay, than a proper examination of the cargo or the manifest, if the latter mode were resorted to. We have compared the collector's book with Captain Raymond's register, kept at Bordentown, all the past season. Since 1846 we find, by comparison, that he has some vessels in his books that we have not in ours, and some in ours that are not in his. In 1847, I think, our book contained most omissions, more than his. Myself and Mr. Stockton were present at the examination, or Mr. Degraw, or one of the assistants in the office. These examinations that I allude to, were made within the last year.

I know of no favouritism shown to any individuals using the canal, unless it be that some have a credit till the end of the month for the payment of their tolls. This privilege is often extended to regular traders.

THEO. F. MANNING.

Sworn and subscribed, the day and year aforesaid, before the commissioners.

AARON ROBERTSON, *Ch'n.*

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